

THE PATTERN OF NATIONAL POLITICAL  
INTEGRATION IN CHINA,  
1949-54:  
THE ROLE OF THE GREATER ADMINISTRATIVE REGIONS

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ABSTRACT

Discussion here is generally inclusive of perspective relating to the processes of national political integration in 1949-1954. Firstly, "political integration" is defined in terms of the creation of a new state super-structure, hence there is a review of the problems of integration in terms of the relation between levels of administration and between systems of organization such as the economic and financial departments of state administration. One must also consider the nature of the relation between general systems of army, Party and state. "Political integration" is secondly viewed in larger terms of the relation of the mass line to government. The pattern of national political integration is discussed generally in terms of the transposition of Yen-an strategies of leadership and organization to the plane of national political development in the early 1950's. The pre-1949 "pattern" had been characterized by the inter-relation of armed struggle with various political and economic programmes, and it is important to note that the CCP came to power in 1949, already knowing how to govern.

The various perspectives outlined above are very general, and the lines of this inquiry are more closely defined for purposes of research. Discussion is structured in terms of a focus on a particular level of administration, namely, the Greater Administrative Region. The pattern of centralization, affected by this level, in fact reveals the transposition of earlier experience to the plane of national political development. The role of this level of government is discussed in terms of several specific problem areas; for example, there is lengthy discussion of specific problems, relating to the creation of a national economy, but there is also discussion of the

application of mass line techniques to government in terms of the role of supraprovincial government in the development of the mass campaigns of 1950-52.

Many of the policies and strategies discussed are still very much relevant to present-day problems of organization, and it is hoped that a discussion of the pattern of national political integration in the early 1950's will further an understanding of organization in China today.



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I accept full responsibility for any and all of the deficiencies which may appear in the following pages.

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MAPS

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ABBREVIATIONS OF SOURCES

CB	<u>Current Background</u>
CCJP	<u>Chang-chiang jih-pao</u>
CCWT	<u>"Ching-chi wen-t'i yü ts'ai-cheng wen-t'i"</u>
CFKTPK	<u>Cheng-fu kung-tso pao-kao hui-pien</u>
CFJP	<u>Chieh-fang jih-pao</u>
CQ	<u>China Quarterly</u>
ECMM	<u>Extracts from China Mainland Magazines</u>
HHJP	<u>Hsin-hua jih-pao</u>
HHYP	<u>Hsin-hua yüeh-pao</u>
FLHP	<u>Chung-yang jen-min cheng-fu fa-ling hui-pien</u>
CYTCTFLHP	<u>Chung-yang ts'ai-ching cheng-ts'e fa-ling hui-pien</u>
HTCCCTC	<u>Hua-tung ch'ü ching-chi ts'ai-cheng fa-ling hui-pien</u>
JMJP	<u>Jen-min jih-pao</u>
JMNC	<u>Jen-min nien-chien</u>
JMST	<u>Jen-min shou-ts'e</u>
JPRS	<u>Joint Publications Research Service</u>
KKWH	<u>Chung-hua jen-min kung-ho kuo k'ai-kuo wen-hsien</u>
KPHHTL	<u>Kan-pu hsüeh-hsi tzu-liao</u>
NCNA	New China News Agency
NFJP	<u>Nan-fang jih-pao</u>
SW	<u>Selected Works</u>
TPJP	<u>Tung-pei jih-pao</u>
WKKCKK	<u>Wo-kuo kuo-chia chi-kou</u>

ABBREVIATIONS OF INSTITUTIONS

AC	Administrative Committee
CCPCC	Central Committee of the Chinese Communist Party
CPG	Central People's Government
CPGC	Central People's Government Council
CPV	Chinese People's Volunteers
GAC	Government Administration Council
GAR	Greater Administrative Regions
MAC	Military and Administrative Committee
OLCPG	Organic Laws of the Central People's Government
ORGAR	Organic Regulations of the Greater Administrative Regions
ORPPG	Organic Regulations of Provincial People's Governments
PLA	People's Liberation Army
PRC	People's Republic of China
PRMC	People's Revolutionary Military Council
CSB/CSMAC/CSAC	Central-South Bureau; Central-South Military and Administrative Committee; Central-South Administrative Committee
ECB/ECMAC/ECAC	East China Bureau; East China Military and Administrative Committee; East China Administrative Committee
NCB/NCAC	North China Bureau; North China Administrative Committee
NEB/NEPGC/NEAC	Northeast Bureau; Northeast People's Government Council; Northeast Administrative Committee
NWB/NWMAC/NWAC	Northwest Bureau; Northwest Military and Administrative Committee; Northwest Administrative Committee
SWB/SWMAC/SWAC	Southwest Bureau; Southwest Military and Administrative Committee; Southwest Administrative Committee

## INTRODUCTION

In a great historic moment, Mao Tse-tung on October 1st 1949, stood on the rostrum in Tien-An Men Square, and speaking into the microphone formally announced the establishment of the People's Republic of China. A few flag was raised over a "new" China, and no doubt Mao reflected on more than two decades of bitter struggle and hard fighting. But fundamental questions as to national political integration had yet to be resolved, and a military victory over the KMT, while obviously a prerequisite to the process of national political integration, was only a beginning.

As of October 1949, there was a vast "newly liberated" countryside in Southwest, Northwest, Central-South and East China, which had yet to be won politically. Throughout large parts of the country, there was no basic-level Party organization, and new state administrative structures had yet to be established. In many regions there was serious social disorder. Endemic banditry persisted. The problems of warlordism did not disappear overnight with the simple announcement of a people's regime. The new central government structure was weak and provincial administration was in a shambles. In some cases provincial units had yet to be reintegrated.

Furthermore, the new central government had yet to create a national economy. A national budgetary framework had not been established and the centre had yet to impose fiscal discipline at the local levels. "Old liberated areas" were subsidizing "newly liberated areas". Various currencies had yet to be unified. The new people's government was struggling in the midst of an economic and fiscal crisis of alarming proportions. Inflation was rampant; the budget was unbalanced; and a mammoth personnel establishment of over nine million had to be supplied.

It was only in September 1948 that the CCP leadership began to articulate a national perspective on the process of political integration, as the PLA swiftly moved from interior to exterior

lines of military conflict. Under the new conditions of positional warfare, there was a reassessment of strategic priorities. The CCP had always made the necessary theoretical genuflection towards working class leadership. The importance of national economic reconstruction had been stressed by both the CCP and the KMT. These aspects had always assumed a certain ideological significance, but previously CCP strategy had dictated a short-term perspective on urban China. Previously, the strategic emphasis was on the consolidation of the hinterland so as to starve enemy-held cities of food, raw materials, etc., but there was in 1948 a growing emphasis on the government of cities and in particular the careful husbanding of precious industry. And the Party had also to consider the future establishment of "orderly administration" in the base areas south of the Yangtze.<sup>1</sup>

At the March 5th 1949, meeting of the Seventh Central Committee of the CCP, the shift in the centre of gravity of Party work was confirmed. It was then decided to occupy cities first and then penetrate the countryside. Mao could not have been more explicit in his stress on the importance of production in the cities, and in the following comment he asserted that such production was crucial to the maintenance of the CCP's power:

"If we know nothing about production and do not master it quickly, if we cannot restore and develop production as speedily as possible and achieve solid successes so that the livelihood of the workers, first of all, and that of the people in general is improved, we shall be unable to maintain our political power, we shall be unable to stand on our feet, we shall fail."<sup>2</sup>

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1. In September 1948, Mao talked of the training of 30,000 to 40,000 cadres for posting in territories liberated in the fourth year of the war. Mao Tse-tung, "On the September Meeting — Circular of the Central Committee of the Communist Party of China", October 10th 1948, SW, Vol.IV, p.274. In February 1949, Mao noted that 53,000 cadres had been trained. "Turn the Army into a Working Force", February 8th 1949, SW, Vol.IV, p.338.
  2. Mao Tse-tung, "Report to the Second Plenary Session of the Seventh Central Committee of the Communist Party of China", March 5th 1949, SW, Vol.IV, p.365.

In 1949, there was an obvious problem. The CCP did not have adequate leadership facilities south of the Yangtze. In a telegram to the Second and Third Field Armies, Mao emphasized the army as a "working force" and established the following policy in order to deal with the initial problems of occupation in the "newly liberated areas":

"The occupation of eight or nine provinces and scores of big cities will require a high number of working cadres, and to solve this problem the army must rely chiefly on itself. The army is a school. Our field armies of 2,100,000 are equivalent to several thousand universities and secondary schools."<sup>3</sup>

Given the well-established tendency throughout the history of CCP organization to maximize the close inter-relation of the general systems of Party, army and state, this reliance on the army cannot be simply viewed in terms of martial law. This point is in fact fundamental to the characterization of Greater Administrative Region government under the Military and Administrative Committees. Despite the word, "military", these committees were part of the state structure, and the relevant organic regulations of 1949 charged these committees with three specific tasks, namely, the completion of military operations (and it might be noted here that mopping-up operations and the localization of PLA divisions was related to the first stage of agrarian reform, which among other things involved the establishment of social order and the elimination of banditry), the completion of social revolution, in particular agrarian reform and the creation of people's democratic state power.

The CCP was not without experience of government, and the pattern of political integration had in fact already been established in the soviets of the late Kiangsi period, and was further developed in the border regions of North China in the Yen-an

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3. Mao Tse-tung, "Turn the Army into a Working Force", SW, Vol. IV, p.338.



period. Generally the history of the pattern was characterized by the inter-relation of a struggle with social revolution, the building of people's democratic state power, economic reconstruction, etc. In 1939 and again in 1945, Mao rejected Sun Yat-sen's three stages of political development from military rule through tutelage to democracy. His discussion of war in the countryside thus reflected a very broad definition of "political integration". War, as an extension of politics, was in Mao's mind inter-related with considerations of social revolution, democracy and economic reconstruction for the well-being of the masses. Hence democracy could be pursued while fighting. Similarly, democracy could be inter-related with agrarian reform under the second united front. Mao pronounced on this point in a speech to cadres, attending a conference in the Shansi-Suiyuan Liberated Area:

"At one time we thought of setting up people's representative conferences in rural districts only after the land reform had been completed in the main. Now that your own experience and that of other Liberated Areas have proved that it is possible and necessary to set up these people's representative conferences and their elected government councils at the district and village levels in the midst of the struggle for the land reform, that is the way you should continue to do it."<sup>4</sup>

What is of particular interest in the context of this study is the philosophy of administration, which was articulated in the course of the establishing this pattern of inter-relations and its relevance to the structure and functioning of regional and national institutions in the early 1950's.

In answering the question as to how this pattern of inter-relations was achieved, one cannot afford to neglect the traditional concerns of political science as a study of government

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4. Mao Tse-tung, "Speech at a Conference of Cadres in the Shansi-Suiyuan Liberated Area", April 1st 1948, SW, Vol.IV, p.230.

institutions. "National political integration" is therefore discussed in the first instance in sharply circumscribed terms relating to institution-building and the art of communications in government. One begins with questions such as how is information gathered? How is a centralized uniformity in policy implementation to be achieved? How will the "centre" understand the localities, and the localities the "centre"? The successful erection after 1949 of a truly nationwide government structure, strong enough to contain the centrifugal tendencies which had played havoc within the Chinese political system since the collapse of the Ching imperium, was a feat perhaps even more impressive than the stunning PLA victories of 1948-49.

The following discussion is initially structured in relation to a definition of "political integration" as institution-building and the art of communication; however, it is readily appreciated that the art of communications in government relates to methods of leadership and inter-reaction of cadres with the masses. One must, therefore, take into consideration the larger connotations of "political integration" and thus sally forth into areas, perhaps more familiar to the student of "modern" revolution. "Political integration" also connotes mass mobilization and the assimilation of ideological belief. Indeed, the CCP's own definition of "political integration" primarily relates to these aspects. The legitimacy of the new regime was not to be based on war-weariness, or the passive acquiescence explicit in ideas such as anything is better than the KMT. Genuine ideological commitment on the part of the overwhelming majority of people in the various parts of the country was deemed necessary to the integrity of the revolution, and the creation of a new nation-state was seen to involve mass mobilization as well as the breaking down of a complex of traditional social values.

In the late nineteenth and twentieth centuries, the Chinese intellectual continuum was broken by a Promethean impulse. In the context of competing nation-states, a teleological concept of linear progress took root in the Middle Kingdom. While on a philosophical plane, Mao may have on occasion talked of contradictions, forever, thus implying an open-ended time scale (which

is perhaps more consistent with a Taoist scheme of the universe than the Judaic-Christian concept of time, implicit in Marxism-Leninism), there was, nonetheless, manifest at the popular level a preoccupation with industrialized utopia.

In this dynamic intellectual climate, it was Li Ta-chao's nationalism which prevailed over the "Asiatic mode of production". Feudalism was discovered in China. The emphasis on youth, the belief in revolution and the tendency towards voluntarism weighed against any historical determinism which might have denied China's position in the mainstream of world history. The seeds of liberalism did not germinate. In such times of international aggression and the disintegration of the Chinese policy, Hu Shih's pragmatism was anachronistic, and Yen Fu discussed "individualism", not in terms of the state's guarantee of civil freedom, but in terms of the collective unleashing of individual energies for the purpose of creating a new China.<sup>5</sup> The theme of "wealth and power" had tremendous significance in terms of the nature of the inter-relation of Chinese polity and society. Mao later saw in China's vast population and in China's "blankness" the way to utopia. It was a question of mobilizing China's masses.

Early in his career Mao experienced the strength of social linkages in the countryside of southern China. He then wondered how the Party was going to break down the peasant impulse towards localism and particularism. The following observation is illustrative of his dilemma:

"In the party organizations in the villages, it often happens that a branch meeting virtually becomes a clan meeting, since branches consist of members bearing the same family name and living close together. In these circumstances it is very hard indeed to build a "militant Bolshevik Party". Such members do not quite understand when they are told that the Communist draw no sharp line or demarcation between one nation and another or between one province and another, or that a sharp line should not be drawn between different counties and even between districts and townships."<sup>6</sup>

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5. See Benjamin Schwartz, In Search of Wealth and Power: Yen Fu and the West, *passim*.

6. Mao Tse-tung, "Struggle in the Chingkang Mountains", November 25th 1928, SW, Vol.1, p.93.

In 1928, Mao was confident that "White oppression" would break down this "localism", and he went on to develop the mass line.

It is obvious that "political integration" does involve mass mobilization, but the discussion of the mass line herein relates closely to our initial perspective on "political integration" as a process, involving institution-building and government communications. One cannot empirically demonstrate the level or intensity of ideological conviction of the masses in post-liberation China; however, one can to a certain extent determine the ability of the cadre within the specific spatial and temporal context of mass campaigns such as agrarian reform and the san-fan, or three-antis rectification to assimilate policy emphases and master the techniques of the mass line. And one can thus discuss the way in which the exercise of the mass line strengthened organization in the early 1950's.

The various concerns, briefly outlined, above are of course large subject areas and must be rigorously qualified for purposes of meaningful discussion and research. Thus "political integration" is here discussed with reference to the activity of one level of administration in particular. The bulk of the material discussed herein, originates with reports, directives, speeches and newspaper editorials relating to the administrative activities of Greater Administration Region governments of 1949-54. The documentation of the Party and state organization at the GAR is under-researched.<sup>7</sup> In fact with the major exception of land reform little research has been carried out in relation to the history of national political integration in the early 1950's. It is somewhat surprising as the

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7. Dorothy Solinger has reviewed some of the documentation relating to the SWGAR. In this interesting study of political integration in Southwest China, Dorothy Solinger presents for discussion three types of strategy for political integration, namely "direct", "indirect" and "mixed". These different strategies, which basically derive from existing theories of comparative politics, are related in particular to the role of regional government in the furtherance of trade, the suppression of counter-revolutionaries and the political integration of national minorities. Dorothy J. Solinger Regional Government and Political Integration in Southwest China, 1949-1954, passim.

documentation of the early 1950's is particularly rich in perspective as to the elaboration of policy emphases and the problems of policy implementation, which have generally characterized the Chinese political system since 1949. The policies for decentralization and local self-reliance for 1951, for example, compare closely with policies outlined in the Great Leap Forward.

Discussion in this dissertation, however, is related primarily to the administrative activities of the Greater Administrative Region governments. In terms of the CCP's basic programme for political integration, such as agrarian reform, the establishment of a democratic framework of representation under the second united front and national economic reconstruction, the different regions in China moved forward at different rates. The regional differences in the inter-relation of the various programmes for political integration necessitated the creation of supraprovincial governments in the several Greater Administrative Regions.

These structures were expressly designed to cut down distances between Peking and the provinces, and to provide for leadership based on a dialectical relation of factors of flexibility and discipline. Flexibility was needed in order to adopt general policy principles to concrete local conditions, and implied the close coordination of general systems, namely, the Party, the army and state, as well as the close horizontal relation of systems with similar functions; for example, the close inter-relation of different departments involved in the sale of native products and the interflow of urban-rural trade. But under conditions of "dispersionism" in which leadership facilities were scattered, it was necessary to insure discipline, and a vertical chain of command. There will be opportunity to discuss at length how these competing emphases were related in the structure and functioning of GAR governments. One might, however, note briefly that in 1949-50, the GAR governments played an important role in the unification of economic and financial work and were instrumental in establishing budgetary discipline at local levels. Whereas in the crucial year,

1951, this level facilitated a decentralization of administrative responsibilities. This decentralization reflected a philosophy of region-centre relations, which had earlier been articulated in the border regions of North China. One might also note that the operational headquarters for agrarian reform and the various mass campaigns of 1951-52 were established at the GAR level.

It is necessary to stress the continuity of CCP principles of organization and reassess the significance accorded to the "Soviet model" with its emphases on a rigidly vertical command structure and a discrete division of labour between different systems. An historical review of the development of organization in the early 1950's reveals this continuity, and one cannot therefore describe a straight progress towards the "Soviet model". One might, alternatively, inquire as to the transposition of earlier CCP organization experience in the process of political integration at lower levels of administration to the plane of national administration in the early 1950's. What was learned at lower levels was creatively applied at higher levels.

Thus in Chapter Two, the development of supraprovincial organization is placed in large historical relief. The 1949 demarcation of the Greater Administrative Regions derived from the specific development of the Civil War; however, if one is to understand the structure and functioning of GAR administration, one must push back further into history, tracing the CCP's early attempts to solve problems of political disintegration. Of particular relevance are the underlying principles of the CCP's philosophy of administration. Thus the principle of "unified Party leadership" is reviewed in terms of the relation between Party, army and state systems and the CCP's concept of a division of labour. One might also consider the border region attempts to administer economic organization, and here the policy, "centralized leadership and decentralized management", which later became the basis for the programme of decentralization in 1951 under Chou En-lai's slogan, "centralized leadership and divided responsibilities", assumes special significance.

Chapter Three has been divided into three sections in order to deal with three important aspects of GAR administration. Firstly, there is an attempt to review the rationality which sustained the novel demarcation of China into several Greater Administrative Regions. This demarcation was particularly relevant to later development of economic organization on the basis of the principle of self-reliance during the Great Leap Forward. Secondly, the constitutional significance of the GAR level is described in terms of the relation between organization in the early 1950's and the various emphases of the Yen'an philosophy of administration. And thirdly, the GAR governments are discussed in terms of elite conflict and the nature of "regionalism". It is argued throughout this dissertation that the GARs generally performed invaluable service in furthering the process of national political integration. More specifically, it is argued that the "federalization" of the central executive in the early 1950's was an established pattern of personnel circulation and that one cannot rigidly distinguish a central elite from a GAR "regional elite". The Kao Kang Affair is thus discussed in terms of its significance as an instance of "regionalism" at the GAR level.

In the fourth chapter, discussion focuses more narrowly on selected problems in order to determine how closely administrative theory related to administrative practice, thus three important problem areas, namely, the unification of economic and financial work, the restoration and development of urban-rural trade inter-flow and the early attempt to plan economic construction, are discussed in terms of the role played by the GARs in the process of national political integration, defined in terms of institution-building and the art of government communications.

In the fifth chapter, there is an attempt to come to terms with the wider implications of "political integration". The effect of mass mobilization and its relation to political integration is discussed in terms of the CCP's ability to assert leadership and to raise the policy level and political consciousness of its cadres in the activation of the mass line.

"National political integration" is, of course, an on-going concern, and not, therefore, to be confined to the limited time-scale of the early 1950's. Mao, on March 5th 1949, noted that country-wide victory was only one step "in a long march of ten thousand li". By late 1954, the CCP may not have marched another ten thousand li, but the CCP did march forward in terms of some of the problems discussed at the beginning of this introduction. The social and political conditions, which characterized warlordism, were basically overcome, and the new leadership built firm foundations for national government. The problems of regionalism and localism did not disappear, but they became less significant in terms of the life of the political system. The unification of national economic and financial work effectively militated against the re-emergence of regional forces capable of endangering the life of the new nation-state. During the course of mass mobilization in this period, greater control was asserted over various sectors of society, and the Party began to consolidate basic-level organization, while relatively effective "rectification" militated against "counter-revolution" and organizational decadence.

On March 5th 1949, Mao had mused that after several decades the people's democratic revolution would appear as "a brief prologue to a long drama".<sup>8</sup> The "prologue" may have been brief (and in 1949 nobody knew just how brief), but the pattern, policies and techniques of national political integration were, nonetheless, set forth with great effect.

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8. Mao Tse-tung, "Report to the Second Plenary Session of the Seventh Central Committee....", March 5th 1949, SW, Vol. IV, p.374. Mao in his report stressed the importance of private industry and noted that "for a fairly long period after the victory of the revolution" it would be necessary "to make use of the positive qualities of urban and rural private capitalism as far as possible", (p.367).



## II

FROM BORDER REGION TO NATION-STATEi) The Politics of Disintegration

In this chapter, we can pursue a comparison of KMT and CCP performance in relation to the forces of political disintegration at work within the Chinese political system. Essential to this comparison is an appreciation of the inter-relation of "armed struggle" and factors of "political integration" such as mass mobilization in social revolution, the building of a representative framework within united front and attempts to further economic reconstruction. In the second section, discussion specifically relates to a philosophy of administration and communications, which emerged in the context of the CCP's attempt to cope with the conditions of dispersion and disintegration, which characterized the North China border regions in the early 1940 s. It is perhaps paradoxical that such a philosophy, which was specifically articulated to meet such conditions, should have later provided the basis for an approach to national political integration. In the third section, discussion moves forward to treat the development of supra-provincial organization as it relates to the pattern of political integration during the Civil War.

At any given time in the life of a political system factors of disintegration and integration compete simultaneously, hence the historian's dating of the precise moment in history when the imperial system under the Ching began to disintegrate is problematical. Undoubtedly, those historians, preoccupied with the dynastic cycle, would prefer to begin with the White Lotus Rebellion, while those interested in China's "response to the West" would move the date forward to the First Opium War, or possibly the Sino-Japanese War of 1894-95. It is thus with a certain degree of arbitrariness that this review of the forces of disintegration begins with the death of Yuan Shih-kai.

Obviously the progressive militarization of Chinese society began long before Yuan Shih-kai met Li Hung-chang. The Hsiang and

Anhwei Armies of gentry leaders, such as Tseng Kuo-fan and Li Hung-chang, were conglomerates of intra-provincial t'uan-lien. The Peiyang Army of Yuan Shih-kai with its academy-trained officer corps was to have been China's defence against the incursions of the "West". But over the course of the 1911 Revolution Yuan managed to steal the political initiative from the revolutionary forces in the south, and he also managed to purge from the Peiyang Army those young officers with revolutionary affiliations and impressive records of training at Japanese military academies. Thus the men who took over the central government in the twilight of the Ching were more likely to have been t'ung-nien (classmates) from Yuan's military academies. Yuan is a symbolic figure for the historian, and he seems to represent a certain point in the developing militarization of Chinese polity and society.

In 1911 the Manchu imperium collapsed. The historical sequence was rather neat in comparison with what came after. In 1911, province after province challenged the centre with declarations of independence. A similar sequence took place in the context of the anti-Yuan movement of 1915-16, only the parts did not neatly fall back into place to form a whole.

After Yuan's death in 1916, the pattern of disintegration (and here "disintegration" is used in the limited sense of institutional breakdown, as opposed to social disintegration, or ideological despair) became more heady and more complex. From 1916 through 1949, the claims of a variety of self-proclaimed (and in some instances internationally recognized) "national" governments, notwithstanding, there were only regional governments in China. During the 1920's various aspiring warlords competed for the capital and the financial benefits, which accrued from international recognition. The wording of successive constitutions successfully defied reality, as the warlords continued to play "musical chairs".

Despite the high-sounding rhetoric, the universal condemnation of warlordism and ideological commitment to national self-assertion, the Northern Expedition did not arrest the process of disintegration.

There was a polarization of the "right" within the KMT in reaction to mass involvement in the Northern Expedition, and after the Shanghai massacre, the united front suffered a painfully protracted disintegration.

The later capture of Peiping was symbolic; it did not mean the creation of a new national state structure. The plan for national unification was jeopardized from the outset by an ill-advised policy of co-optation. Warlord troops were co-opted, but not assimilated into the National Revolutionary Army so that the command structure based on personal loyalty of troops to particular commanders remained unchanged. The Northern Expedition did not alter the underlying nature of warlord politics. Delay in the dismantling of the branch political councils of the KMT reflected the perpetuation of regional power blocs. In mid-January 1929, the victorious leaders of the Northern Expedition sat in conference and agreed to a plan for demobilization. In the context of the times, demobilization of troops spelled political suicide for the politician-generals, involved, and it is not surprising that the plan eventually precipitated war between the constituent warlord elements of the National Revolutionary Army.

Chiang Kai-shek emerged victorious in the sense that he had managed to defeat the Kwangsi Clique, Feng Yü-hsiang and Yen Hsi-shan, but he did not destroy the warlord system. James Sheridan in his recent study of "disintegration" in Republican China notes that what emerged from Chiang Kai-shek's bloody victory was only "mutual tolerance".<sup>1</sup> Chiang could assume the posture of primus inter pares, but he still did not have the resources to destroy each and every one of the warlords, and a protracted conflict would undoubtedly have led to the expansion of the CCP's soviets. Mao saw in the multi-polar nature of warlord conflict and in the "white regime's"

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1. James E. Sheridan, China in Disintegration, p.186.

tendency to "split" the basis for the survival of red political power in China.<sup>2</sup> Chiang undoubtedly appreciated the logic, explicit in Mao's perspective. Whether Chiang is to be considered as another warlord or as a "residual" warlord, and here we might note Jerome Ch'en's argument that Chiang's espousal of the three principles of Sun Yat-sen saved him for the "residual" category,<sup>3</sup> it is, nonetheless, the case that under Chiang the buying of hostile generals was common practice, and the command structure of the KMT's forces was highly personalized. The KMT, itself, remained a loose confederation of factions, the identification with the "nationalist" cause, being more nominal in some cases than in others.

Over the Nanking Decade, the authority of the "Nationalist" Government was hamstrung by a lack of fiscal centralization. Fiscal centralization was crucial if the KMT was to undermine the basis of warlordism by reducing the warlords' capacity to supply and payroll their independent units. The KMT standardized provincial currency systems by 1935, but the standardization proved ineffective at the local level.<sup>4</sup> Agricultural taxes were conceded to the provinces. At times the provinces refused to turn over central government revenues to the "central" government.<sup>5</sup> Similarly, initiative in agrarian reform seems to have been lost to the provinces. The "Nationalist" government was not even able to control the appointment of hsien magistrates.<sup>6</sup> There was a proliferation of conflicting administrative jurisdictions, which originated with the constant balancing of factions within the KMT. The warlord style of politics persisted within the KMT, as client relationships determined the functioning and structure of organization.

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2. Mao Tse-tung makes the following statement in "Why is it that Red Political Power Can Exist in China?": "If we only realize that splits and wars will never cease within the White regime in China, we shall have no doubts about the emergence, survival and daily growth of Red political power". October 5th 1928, SW, Vol.1, p.65.
  3. Jerome Ch'en, "Defining Warlords and Their Factions", Bulletin of the School of Oriental and African Studies, Vol.31, No.3, 1968, pp.585-586.
  4. James Sheridan, op.cit., p.221.
  5. James Sheridan, ibid., p.204.
  6. See Tien Hung-mao, Government and Politics in Kuomintang China 1927-37, for a discussion of the problems in KMT government in the Nanking Decade.

Chiang Kai-shek was perhaps strongest in relation to local authority, which had to contend with CCP infiltration. Provincial authorities, who were unable to stem the Communist "tide" on their own, had perforce to turn for funds and soldiers to the KMT and the inevitable result was greater KMT control in the province under attack.<sup>7</sup> James Sheridan has reviewed a pattern whereby KMT troops would be assigned to infiltrated provinces and when they were ordered to return, part of the KMT's units would remain in the province while part of the old provincial units would be moved with the KMT's regular units.<sup>8</sup>

An indication of the KMT's difficulties in asserting control over provincial administration is explicit in the KMT's reorganization of supra-hsien administration. In 1932, the KMT attempted to establish the Administrative Inspectorate District (Special District in Communist usage).<sup>9</sup> Chiang Kai-shek used this level to circumvent hostile provincial governments and to reduce administrative distance between his military headquarters in Nanchang and the hsien in nominal KMT provinces.<sup>10</sup> Chiang hoped to maximize the revenue flow to the "centre" and minimize the powers of provincial governments. The need to create some form of supra-hsien government was obvious, as military lines criss-crossed provincial demarcations, and related more closely to the disposition of natural barriers and communications. The Japanese and the CCP used this same level of administration.<sup>11</sup>

In the 1940's while the CCP was unifying and strengthening its organization through the application of principles such as democratic centralism and unified Party leadership and through "rectification", which not only checked the spread of liberalism under united front in the border regions, but also acted to reduce leadership conflict, the KMT continued to succumb to organizational decadence and internecine

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7. Tien Hung-mao, Government and Politics, etc., op.cit., p.113 and pp.149-150.
  8. James Sheridan, op.cit., p.187
  9. For discussion of this level of administration refer to Joseph Whitney, China: Area Administration and Nation-Building, p.84, and also Tien Hung-mao, p.107.
  10. Contrary to Tien, Chien Tuan-sheng argues that the KMT did in fact achieve an impressive degree of centralization. See Chien's article, "Wartime Local Government in China", Pacific Affairs, Vol.XVI, No.4, pp.441-460.
  11. See Chalmers Johnson, Peasant Nationalism and Communist Power, pp.42-43.

leadership conflict. The above depiction of the KMT as a confederation of competing factions applies almost equally well to the 1940's as to the 1930's. This perspective contributes to an explanation of the rapidity of the CCP's victories in 1948 and 1949 and accounts for the successful application of Mao's "Peiping" and "Suiyuan" patterns, which capitalized on factional disaffection within the KMT and resulted in massive troops defections to the Communist side. This co-optation was more rigorous and explicit than that of the KMT in the Northern Expedition, as it involved the reorganization of units, the creation of Party structure and ideological indoctrination within the new units. Furthermore, the CCP was able to create economic organization which could sustain the impact of the demobilization of large populations of soldiers.

Donald Gillin has studied the massive defection of tsa-parh troops in 1948 through 1950, and he has argued that the policy of military modernization, sponsored by General Ch'en Ch'eng, KMT chief of staff in 1947, proved to be counter-productive, and that given the realities of power within KMT-held areas, Ch'en miscalculated and over-centralized, with the result that disaffected tsa-parh went over to the enemy.<sup>12</sup> The CCP's magnanimous co-optation policy made "going over the hill" all that much easier.

The crucial question, which concerns us here, is how did the CCP in the 1930's and 1940's react to the proliferation of centres of political and military authority, which characterized Warlord China. After the repudiation of Li Li-san line, there was little to be said for the "nationwide high tide". The CCP, thereupon, became committed to the building of soviets in the countryside. Already in 1928-29, Mao was developing the idea of a Party army, and we can see the beginnings of his two unities, the unity of the army and people and the unity of officers and men, both of which offered an alternative

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12. Donald Gillin, "Problems of Centralization in Republican China: The Case of Ch'en Ch'eng and the KMT", Journal of Asian Studies, XXIX, No.4, August 1970, pp.835-50.

to KMT and warlord practice.<sup>13</sup> Mao repudiated people who followed the line of "hiring men and buying horses".<sup>14</sup> The "pure military viewpoint" was based on a misconception of the nature of war in the countryside. Above all it lacked political emphasis. Problems of supply, intelligence, logistics and recruits were as much political as military, for the relation of army and people was explicit therein. At that time Mao had already developed the relation between local Red Guards and local troops on the one hand, and the main forces of the Red Army on the other.

In the late 1930's in the context of the Sino-Japanese War, Mao further developed his ideas on strategy and further defined the inter-relation of military and political perspectives. In May 1938, Mao gazed into his crystal ball to predict the course of the War of Resistance. Much of the analysis, offered in "On Protracted Warfare", is based on Mao's perception that Japan did not have a sufficiency of resources to penetrate and hold the vast rural hinterland; he concluded:

"First, the enemy, employing his small forces against a vast country, can only occupy some big cities and main lines of communication and part of the plains. Thus there are extensive areas in the territory under his occupation which he has had to leave ungarrisoned, and which provide a vast arena for guerilla warfare."<sup>15</sup>

Mao discussed at length the inter-relation of guerilla, mobile and positional warfare, predicting that in the third stage of China's protracted war with Japan, the CCP would modify its strategy of "protracted defensive warfare on interior lines", and would gradually shift the focus from strategically interior to exterior lines. It was in this third stage that the Party would place increasing emphasis, first on mobile as opposed to guerilla warfare, and then later on positional warfare. In fact, the CCP had to wait until 1948 before

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13. Mao Tse-tung, "On Correcting Mistaken Ideas in the Party", December 1929, SW, Vol. I, pp.105-115.

14. *Ibid.*, p.114.

15. Mao Tse-tung, "On Protracted War", SW, Vol. II, p.158.

shifting militarily from interior to exterior lines of warfare, and politically and economically the Party then altered the "centre of gravity" of Party work so as to facilitate a new emphasis on the winning and consolidation of urban China.

While Mao may have failed as a fortune-teller, the brilliance of his analysis is not to be underestimated, and of particular interest is his anticipation of the future pattern of national political integration. Mao indicated that there would be country-wide high tide even in the third stage of the war, and that the pattern would, nonetheless, be regional:

"Because of the unevenness in China's political and economic development, the strategic counter-offensive of the third stage will not present a uniform and even picture throughout the country in the initial phase, but will be regional in character, rising here and subsiding there."<sup>16</sup>

In fact during the first two years of the Civil War the prosecution of the CCP's military effort depended to a large extent on the imagination and initiative of local commanders, and the military historian, William Whitson, informs us that there is little evidence of significant shifting of Communist resources from one theatre of operations to another.<sup>17</sup> Politically in 1948-49, the different areas of the country proceeded at different rates toward the creation of people's democratic state power. The process of supra-provincial integration of large regional economies only started in late 1948.

What were the policies which characterized the CCP's relation to political disintegration? In November 1931, the First All-Chinese Congress of Soviets at Juichin proclaimed the establishment of the Chinese Soviet Republic. This republic was in fact an archipelago of soviets, which dotted a vast ocean of countryside in central China. The primary characteristic of the soviets was economic and geographic

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16. Mao Tse-tung, "On Protracted War", op.cit., p.143.

17. William Whitson, The Chinese High Command, p.84.



isolation. The Party's fortunes in any one soviet very much depended on the "white regim's" tendency "to split", and the natural barriers, which made counter-insurgency operations difficult. Organization, however, steadily improved, and in 1933 a People's Commission for National Economy was created.

In August 1933, Mao criticized "right deviationists" for their view that economic constructions was impossible in the midst of revolutionary war.<sup>18</sup> He noted that many local governments paid little attention to such problems and that the economic departments of these governments were poorly organized. On this occasion he criticized bureaucratic leadership and hailed the relation of the mass line to production. In the summer of 1934 a programme of economic construction was launched. At the Second All-Chinese Congress of Soviets in January 1934, a resolution on soviet economy was passed. The statement therein was fairly comprehensive and contains rudimentary notions of economic organization which were later developed in the Yen-an period. In Kiangsi the Party experimented with mixed economy, relating state, co-operative and private enterprises. "Encirclement and suppression" encouraged tentative impulses towards autarchy. There were attempts to restore handicrafts and attempts to develop inner soviet markets. Significantly, Mao emphasized that the basis of CCP financial policy was to increase revenue by developing the economy, hence the slogan of the Yen-an period, "from economics to finance" (tsung ching-chi tao ts'ai-cheng) relates back to the later Kiangsi period.<sup>19</sup> The emphasis on the well-being of the masses was drawn out in comparison with warlord practice and was central to the perspective on the nature of war as involving a political and economic relation between the Red Army and the people of a base area. This early wrestling with the problems of state organization was

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- 18. Mao Tse-tung, "Pay Attention to Economic Work", August 20th 1933, SW, Vol. I, p.129.
  - 19. Mao Tse-tung, "Our Economic Policy", January 23rd 1934, SW, Vol. I, p.144.

disrupted by the fourth and fifth encirclements, and the CCP had to abandon its soviet-building to begin the Long March in October 1934. Ostensibly the Red Army went north to fight the Japanese, but it also went north to save itself.

The initial period of united front in the late 1930's allowed the CCP some breathing space in which to consolidate its organization of border region governments. However, in the ensuing crisis, the CCP developed a strategy to deal with disintegration.

Communist historiography describes the War of Resistance in terms of three stages of development.<sup>20</sup> The first stage, which lasted from 1937 to the spring of 1941, was one of expansion. After the initial Sino-Japanese hostilities of 1937, the Eighth Route Army moved south into the Wutai mountains, the Taihang area and other parts of the northwest to establish the anti-Japanese base areas of Chin-Ch'a-Chi, Southeast Shansi, and Northwest Shansi. Guerilla warfare was successfully waged in Central Shantung, and eventually resulted in the creation of a base there. Also between 1938 and 1940, the Fourth Route Army established the anti-Japanese base areas of South Kiangsu, Central Kiangsu, North Kiangsu, North Huai and Kiangsu-Hopei-Anhwei.

The second stage of the war was characterized by a life and death struggle. Again the CCP faced the problems of encirclement, but this time the presence of Japanese forces rendered the situation even more complicated and desperate. The various regions were criss-crossed by shifting lines of military and political authority, and it is probably for this reason that Mao originally dubbed the War of Resistance the "war of the jig-saw pattern" (fu-ya chiao-ts'o ti chan-cheng). In the second stage, the CCP faced both the KMT blockade and the "Three-Alls". The sudden loss of KMT financial aid and spiralling inflation precipitated an economic crisis, which lasted from June 1941 to May 1942. The crisis was further aggravated by

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20. K'ang-jih chan-cheng shih-ch'i chieh-fang ch'ü kai-k'uang, (Conditions in the liberated areas during the War of Resistance), Peking, Jen-min ch'u-pan she, 1953, pp.1-4.

serious natural disasters. The Shen-Kan-Ning Border Region budget was in disarray as receipts failed to meet expenditure. It was a make-or-break situation, which taxed the limits of the CCP's organizational capabilities, and it was in this context of struggle that the CCP developed the "Yenan Way". The border regions suffered severe contraction and severe economic problems, but the crisis was gradually overcome as a state of autarchy was achieved in the following three years.

The third stage of development was characterized by renewed expansion and was coincidental with Mao's great rectification and production campaigns of winter 1942, to spring 1943. As of spring 1944, the CCP had some fifteen liberated border region areas in North China, Central China, (this region later became part of the East China Liberated Region, as opposed to Central Plains Liberated Region) and the rear liberated areas of South China.

Critical to the integrity of the CCP-held areas in North China was the Chin-Sui Border Region, which acted as a buffer, protecting the front lines of the Shen-Kan-ning Border Region and insured communications between Yen-an and the Chin-Ch'a-Chi and Chin-Chi-Lu-Yü Border Regions. The border regions took shape with respect to natural geography and the lines of communication.<sup>21</sup>

In the early 1940's there was little potential for the pattern of political integration moving beyond the limits of the various regions. Beyond the boundary of any given region, there was only the Party. The pattern of administrative demarcation varied from region to region, but the administrative district (hsing-cheng ch'ü) tended to be the highest administrative level. However, administrative activity was more focused at the sub-region level, hence "sub-region management" (fen-ch'ü kuan-li) characterized state activity in this

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21. For example, the Chin-Chi-Lu-Yü Border Region was divided into two military zones, Chin-Ch'i-Yü and Chi-Lu-Yü. The dividing line which cut the region into two roughly equal halves was the Peiping-Hankow Railway. The parameters of region were determined by three railway lines. Ibid., Map Four.

period. It was early in September 1948 that the CCPCC decided to promote regional organization at a higher level and called for the "centralization of sub-region leadership".

It is perhaps paradoxical, but, nonetheless, important, that the policies and strategies articulated in the early 1940's at a time when the process of political integration was confined to a relatively low level of organization, later became the basis for the pattern of national political integration in the early 1950's. After all these strategies and policies, which together constituted the "Yenan Way", were articulated in a period when each border region constituted an economy unto itself. Local production drives and the vigorous emphasis on self-sufficiency reinforced the pattern of independent economic development. The financial position of Communist armies in the various border regions was maintained without reference to financial administration in Yen'an. The economic independence of the various border region governments was explicit in the proliferation of border region currencies. There were at least twenty different currencies circulating in the early stages of the Civil War, and the CCP did not initiate the process of bringing together the various currencies until 1948.<sup>22</sup>

In the Yen'an period, the CCP deliberately confined the process of political integration to a low level of organization; for example, in the course of the 1940-42 war of communications, the operative words were "the enemy repairs by day, we destroy by night". One might argue, therefore, that the tendency towards autarchy implies "disintegration" and was hardly appropriate to the later process of political integration on the national level, but in fact this "disintegration" was an "integration" which was consistent with

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22. Tadao Miyashita, The Currency and Financial System of Mainland China, Tadao Miyashita reviews the CCP's financial and economic policies in the Kiangsi and Yen'an periods and notes that the various base areas constituted individual, isolated economies; for example, refer to pp.16 and 52.

the prevailing economic and political conditions of the times. Furthermore, the strategies and policies of this period were refined and applied in the context of post-1949 China.

The policies and strategies of the Yen-an Period are well-known and have been recently summarized in Peter Schran's study of the guerilla economy in the Shen-Kan-Ning Border Region. Neo-mercantilist policies, favouring the development of import-substituting manufactures and the curtailing of the outward shipment of necessities were judiciously combined with policies, designed to increase border region production through the application of the mass line in the economy. There were emphases on internal migration, the participation of women, students, soldiers and cadres in production. The campaign, waged under the slogan "crack troops and simple administration" (ching-ping, chien-cheng), was consistent with these emphases. Under this slogan, there were attempts to simplify procedure, reduce costs, improve quality and quantity of production and reduce the number of personnel working in administrative organs, transferring excess personnel to production or schooling.<sup>23</sup>

Peter Schran has aptly described the Yen-an strategies in terms of a "dualistic pattern":

"The Chinese communists were quite successful in organizing the population of the Shen-Kan-Ning border region for the purposes of administration, defense, economic development, and education on a dualistic pattern which made allowances for differences in interests, talents and circumstances. They supplemented a small state administrative apparatus with mass organizations.... They added to a small garrison of regular troops a much more numerous militia-like self-defense corps. They complemented a small number of state-operated industrial enterprises with much larger numbers of cooperative ventures in import-substituting and export-promoting activities.... And they promoted expert as well as mass education in a somewhat complicated form, which often combined work with study — not only by necessity but also by choice."<sup>24</sup>

23. See Peter Schran, Guerrilla Economy, p.85. Mao commented on the importance of this policy in the light of the contraction of border region areas and material difficulties which characterized the second stage of the war. He noted: "...we cannot maintain the same enormous apparatus as before". Mao Tse-tung, "A Most Important Policy", September 7th 1942, SW, Vol.III, p.100.

24. Peter Schran, pp.94-95.

During the Sino-Japanese War the KMT and the CCP faced the same set of abnormally exaggerated determinants of localism and regionalism, but the CCP was more creative in applying itself to the problems of political disintegration. There was decentralization in terms of CCP government functions and military operations, but the situation was saved by an exercise of democratic centralism within the Party. The CCP did not at that stage attempt to create a central government structure as had been the case in Kiangsi. In the decentralized context of the Yen-an Period, the CCP maximized "unified Party leadership". In terms of border region economic organization, the principle "centralized leadership and decentralized management" was exploited in order to maximize local initiative within the border region. The CCP developed a philosophy of administration to cope with the multiplication of independent centres of warlord, KMT and Japanese authority and the consequent factors of border region economic and geographic isolation.

ii) Administrative Philosophy and the Implementation of Policy in the Yen-an Period

CCP administration was based on a philosophy which inter-related factors of flexibility and discipline. This approach was consistent with experience gained in the organization of a military structure under the highly decentralized conditions of guerilla warfare. The same perspective was applied in other areas of organization.

In May 1938, Mao explained that proper co-ordination between regular warfare and guerilla warfare necessitated "a unified strategic command by the national general staff and the war-zone commanders". However, he qualified this statement with an observation on the importance of flexibility in guerilla warfare: "If any attempt is made to apply the methods of command in regular warfare to guerilla warfare, its great flexibility will inevitably be restricted and its vitality sapped."<sup>1</sup> Then Mao enunciated the principle of command in guerilla warfare to be "centralized strategic command and decentralized command in campaigns and battles" (chan-lüeh ti chi-chung chih-hui ho chan-yi chan-cheng ti fen-san chih-hui) It would seem worthwhile to quote Mao's formulation at length:

"In general matters, that is matters of strategy, the lower levels should report to the higher and follow their instructions so as to ensure concerted action. Centralization, however, stops at this point, and it would likewise be harmful to go beyond it and interfere with the lower levels in matters of detail like the specific dispositions for a campaign or battle. For such details must be settled in the light of specific conditions, which change from time to time and from place to place and are quite beyond the knowledge of the distant higher levels of command. This is what is meant by the principle of decentralized command in campaigns and battles. The same principle generally applies in regular operations, especially when communications are inadequate. In a word, it means guerilla warfare waged independently and with the initiative in our hands within the framework of a unified strategy."<sup>2</sup>

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1. Mao Tse-tung, "Problems of Strategy in Guerilla War Against Japan", SW, Vol.II, p.109.
  2. Ibid., p.115, or in Chinese text, Mao Tse-tung hsuan-chi, Vol.II, p.404.

Essentially the same principle was applied to party construction. In a CCP publication of 1938, for example, the relation between party-building and democratic centralism was emphatic.<sup>3</sup> Cadres were advised against indulging in the deviation of over-centralizing. They were not "to centralize every last penny and gun" (i-fen ch'ien i-chih ch'iang tou chi-chung le). On the other hand, it was noted that fast changing conditions of the military situation warranted a certain degree of centralization and a corresponding restriction of democracy in terms of Party action. Unrestrained democracy was inimical to discipline. Local Party committees were as the limbs of the body to the brain and had to be co-ordinated by the Central Committee.

On September 1st 1942, the Politbureau of the CCP Central Committee passed a resolution calling for unification of leadership in the anti-Japanese war bases. The crisis of 1941-42, precipitated by the KMT blockade and the "Three-Alls", was to be expedited in organization terms by a balancing of centralism and democracy, or more basically, a balancing of discipline and flexibility, thus the September 1st resolution reads:

"The ruthless Japanese mopping-up campaign, the strengthening of the blockade and strong points, the difficulty of relations between higher and lower echelons, and the increase of local guerilla warfare in the War of Resistance call for a greater elasticity in relations of subordination between higher and lower echelons, an increase and strengthening in each district (military districts and sub-districts) of an active spirit of independence as well as an active and general unification of leadership and a greater degree of co-ordination among all organizations in every district, so that none will provide the enemy with an advantageous loophole."<sup>4</sup>

It is important to note that the subtleties of CCP thinking in regard to the definitions of "centralization" (i.e. t'ung-i ling-tao) and "unification" (i.e. ling-tao ti i-yuan-hua). The distinction is spelled out in this September 1st resolution as follows:

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3. Tang ti chien-she (Party construction), p.23. Originally printed in 1938, and reprinted in Taiwan, 1951.
  4. "Central Committee Resolution of the Unification of Leadership in the Anti-Japanese War Bases", in Boyd Compton, etd., Mao's China, p.162. Full Chinese text in Mao Tse-tung, Mao Tse-tung chi, (Tokyo), Vol.8, pp.155-163.



"On the one hand, unification of Party leadership [tang ti ling-tao ti i-yüan-hua] is to be expressed in the mutual relations between Party, governmental and mass organizations of the same level; on the other hand, it is to be expressed in the relations between upper and lower levels."<sup>5</sup>

This emphasis was consistent with the shift towards a "dual" system of administration.<sup>6</sup> The earlier trend towards separation of Party and state was checked, as the new situation of decentralization and border region contraction necessitated greater co-ordination between systems. The problems of dispersionism were dealt with on the basis of a dual pattern of centralization. It was a fundamentally Maoist approach, which capitalized on flexibility and decentralization in order to further centralization and discipline. There was greater emphasis on the horizontal relations of systems, but centralization would, nonetheless, be achieved in terms of unified Party leadership. In the very midst of great political disintegration, Mao articulated a philosophy of administration which became the basis for the pattern of political integration. While the primacy of the Party was explicit in this discussion of unified Party leadership, it must be pointed out that this primacy was qualified; it was not a repudiation of a division of labour. The Party was not to supplant other systems, but was to co-ordinate their activities, raise standards of ideological consciousness and provide leadership in terms of the determination of general policies and principles.

Party cadres, who attempted to impose Party management on government systems were admonished. However, the integrity of the different systems was not always sustained in practice. In keeping the CCP's tendency to enforce a very close relation between organizational structure and objective conditions, point eight of

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5. Boyd Compton, ed., Mao's China, pp.171-172.

6. Refer to Franz Schurmann for a discussion of "dual" and "vertical" rule in Ideology and Organization in Communist China, 2nd edition, pp.188-194.

the September 1st resolution indicated that due to the special nature of the guerilla areas, the "unification of leadership" (ling-tao ti i-yuan-hua) was not to be limited to "mutual relations" (hsiang-hu kuan-hsi) of systems. If necessary organs of Party committees, the government and mass organizations could be amalgamated with military and political organs. Similarly, Mao later justified large-scale military involvement in production even at the expense of the principle of the division of labour.<sup>7</sup>

The point that should be reiterated here is that "unification of leadership" (ling-tao ti i-yuan-hua) does not conform with common Weberian conceptions of centralization based on a rigid distinction of government functions and a straight up-and-down system of subordination. "Unification" derives from CCP theories regarding the mass line and implies the horizontal as well as the vertical. "Unification" is also consistent with the CCP's theoretical preference for collective leadership.

A Politbureau resolution of June 1st 1943, regarding methods of leadership drew attention to the "method of division of labour and centralized unification" (fen-kung erh yu t'ung-i ti i-yuan-hua ti fang-fa).<sup>8</sup> "Centralization" is described in terms of a higher level cadre contacting subordinates in lower level departments and offices. There is a formal division of labour, but in fact everyone bears a responsibility. In some sense then there is both an official and moral responsibility, and everyone on down the line must understand policy.

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7. In 1945, Mao wrote: "In our circumstances, production by the army for its own support, though backward or retrogressive in form, is progressive in substance and of great historical significance. Formally speaking, we are violating the principle of division of labour. However, in our circumstances — poverty and disunity of the country...., and the protracted dispersed guerilla war — what we are doing is progressive". "On Production by Army for its own Support ...", SW, Vol.III, p.276. One notes that Mao no longer felt the need to rationalize such "violations" after 1949 when such circumstances assumed less significance.
8. Boyd Compton, op.cit., p.182.

One cannot simply relate the opposites, "dual" and "vertical" with centralization and decentralization. The formulation of "unification" suggests centralization within a dual pattern. Action inhibiting the unified co-ordination of systems at any one level could be viewed in the CCP context as a manifestation of dispersionism (fen-san chu-i). The CCP did not entertain a fixed notion as to what degree of centralization was the correct degree of centralization as changes in objective conditions necessitated organizational changes.

What did the above theory mean in practice? Here we might focus on the economic and financial problems of the Shen-Kan-Ning Border Region and Mao's lengthy discussions in his essay of December 1942, "Economic and Financial Problems".<sup>9</sup>

In the second section of his treatise, Mao discussed the development of agriculture. One notes his awareness of the uneven development of agriculture, in particular the differences between counties such as Yen-an, where there was a lot of land and paucity of people, and the defence areas (ching-pei ch'u) where there was little excess land and a great many people. Mao advised the cadres to "act according to local conditions and season".<sup>10</sup> Mao stressed that where land was plentiful and labour scarce the technique to adopt was deep ploughing as opposed to opening up new acreage, a technique which was more appropriate to counties such as Yen-an. The theme, "adopt different methods according to different regions," (i ko-chung pu-t'ung ti-ch'u erh ts'ai-ch'u pu-t'ung fang-fa)<sup>11</sup> indicates a sensitivity to regional economic differences.

Mao formulated his ideas not only in relation to natural economic distinctions. During the hard years of the KMT blockade and the "Three-Alls" he hoped to resolve the economic difficulties

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9. The first section of this treatise appears in Mao Tse-tung, SW, Vol.III, under the title, "Economic and Financial Problems in the Anti-Japanese War", pp.11-116. I have had the benefit of Andrew Watson's translation of sections two to five. Excerpts from sections six to ten are my own translations. As for the Chinese text, the following references are made to the 1949 Hong Kong edition of Ching-chi wen-t'i yü ts'ai-cheng wen-t'i (Economic and financial problems), henceforth cited as CCWT.
  10. Watson's translation, p.9, or CCWT, p.15.
  11. Watson's translation, p.10, or CCWT, p.16.

of the border regions by unleashing local creativity and enthusiasm. In conjunction with the movement for greater production there appeared a government policy of easing the tax burden on the masses in order to stimulate local production enthusiasm; for example, a CCP Politbureau directive of October 1st 1943, urged economic and financial workers to put ninety per cent of effort in increasing agricultural production and ten per cent into agrarian tax collection. A singular emphasis on finance was eschewed particularly as it was identified with warlordism and counter to the unity of the people and army.

Mao was similarly concerned with local creativity and activism in industry and handicrafts. The CCP adopted a policy of self-sufficiency in industry in conjunction with a policy in trade to restrict the importation of unnecessary goods and the exportation of necessary goods from the border regions. State enterprise was developed under the direct management of (a) the army, (b) government departments, and (c) educational institutes of official organs. During the earlier Kiangsi period the CCP soviet governments had benefited from comparatively favourable economic conditions, and it was not then necessary to involve the army in state enterprise. In 1938 the army did become involved in agricultural production. At the time it was argued that the army represented the ideal working force as its ranks included healthy men of the right age and excluded the old and very young. Furthermore, it was argued that soldiers did not have to bear the rent and tax responsibilities of the peasants. The army subsequently became involved in trade and industry. According to Mao's assessment of 1942 of the three sectors of state enterprise, the army was the most significant. Mao later resurrected these arguments on December 5th 1949, in a directive of the People's Revolutionary Military Council, which called on the army to engage in production and assist the government in the national fiscal crisis of late 1949.

In February 1940, the CCP Central Committee issued a directive which spelled out the formula, "centralized leadership and decentralized management" (chi-chung ling-tao, fen-san ching-ying).<sup>13</sup> In 1941 the CCP moved from a policy of half self-sufficiency to complete self-sufficiency, and industrial development was comparatively rapid in 1941-42. Mao, however, complained that many cadres only learned "decentralized management" and did not appreciate "centralized leadership", and although the formula had already been announced in 1940, it was necessary in a senior level cadre conference in 1942 to go over the matter carefully once more.

Mao elaborated in his treatise of 1942 as to "decentralized management":

"Why is it that together with self-sufficiency in industry we want this sort of decentralized management? Primarily we want it because labour power is dispersed in the various Party, government and army departments, and if we were to centralize then we might destroy the element of activism [chi-chi chu-i]; for example, if we encourage Brigade 359 to open up the Ta-kuang Textile Factory and yet do not order its amalgamation with government textile factories this is because the greater number of workers in the Ta-kuang Factory were selected from among the officers and men of Brigade 359. They would very actively labour to meet the clothing needs of the entire brigade, and if we were to centralize it would on the contrary damage this quality of activism. There are other important reasons for decentralizing, namely, the dispersion of natural resources and the difficulties of transportation."<sup>14</sup>

Mao did warn that decentralization could reach a point of diminishing returns and that there was to be uniformity of the same type of enterprise in the same area. He then spoke of greater centralization following an initial pattern of decentralization, citing the examples of centralization of the Tuan-chieh and Chiao-t'ung Textile Factories under government department. A rough distinction was made between large and small enterprises, and in the case of large enterprise, there was to be a greater degree of

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13. CCWT, p.105.

14. CCWT, p.102.

centralization.<sup>15</sup> Mao discussed the relation between enterprise belonging to different systems and concluded:

"In cases where we should centralize agriculture, industry and commerce, no one organization is to exclusively centralize the enterprise concerned on a region-wide basis. But a unified plan is to be worked out by the appropriate agency (at present the Border Region Finance and Economic Committee and the General Affairs Office) in accordance with the needs of the whole and its parts and the possible conditions of management. The various systems of Party, government and army can be entrusted with separate management, and we will then have a unified plan and separate management. This amounts to a condition whereby we have "centralized leadership and separate management" [chi-chung ling-tao, fen-pieh ching-ying].<sup>16</sup>

Explicit in Mao's idea of unified plan was emphasis on inter-system co-ordination, and his statement to the effect that no one organization was exclusively to centralize a particular industrial, agricultural or commercial sector stands as a repudiation of a rigidly vertical scheme of state administration.

Although in 1943, Mao was inclined to place a greater emphasis on unified planning and centralization than he had done in the past two years, he, nonetheless, continued to expound on the correctness of "centralized leadership and decentralized management". In a speech at a conference for labour heroes on January 10th 1945, Mao informed his audience: "Since we are in the countryside, where manpower and material resources are scattered, we have adopted the policy of 'unified leadership and decentralized management' for production and supply".<sup>17</sup> In April of the same year, Mao chose to emphasize that the centre should not take on more responsibility than it can handle, and then noted: "The principle of 'unified leadership and decentralized management' has proved to be correct one for organizing all economic activities in our Liberated Areas in

15. CCWT, p.103.

16. CCWT, p.104.

17. Mao Tse-tung, "We Must Learn to do Economic Work", SW, Vol.III, p.191, Here "chi-chung ling-tao" is used for "centralized leadership", whereas in CCWT, "t'ung-i ling-tao" is used.

the present circumstances".<sup>18</sup> The important question is at what point in the process of integration would circumstances warrant a change in this formula in favour of greater vertical centralization. Despite the basic change in Party policy of 1948 and the accelerated process of integration in North and Northeast China at that time, this policy persisted and became explicit in the constitutional arrangements of 1949, and the policy was extensively applied in 1951.

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18. Mao Tse-tung, "On Production by the Army for its own Support....", SW, Vol.II, p.275.

iii) From Border Region to Liberated Region

The smaller border regions (p'ien-ch'ü) of the late 1930's and early 1940's were integrated into larger regional entities called "liberated regions" (ch'ieh-fang ch'ü). Greater Administrative Region demarcations evolved out of the Civil War, but in terms of their structure and functioning the GAR governments very much related to the Yen-an experience, and in terms of the overall process of "political integration" they reflected a basic perspective on the inter-relation of armed struggle on the one hand, and (a) united front and the building of people's democratic state power, and (b) the prosecution of social reform, and (c) economic construction on the other. There will be further opportunity to define the constitutional role, the structure and functions of the GARs in the next chapter, but it is noted here that the GAR structures were explicitly "dual", and these structures demonstrated a clear expression of a horizontal emphasis on the inter-relation of different systems under the principles of "unified Party leadership" and "centralized leadership and divided responsibilities".

It is with the above interests in mind that we can discuss the basic continuity of this inter-relation of armed struggle and (a), (b) and (c) outlined above. There is an immediate and explicit difference between KMT and CCP perspective on the nature of war, which is essential to an understanding of the process of political integration in China. For the KMT, war was war, but for Mao and the CCP war was also "political integration". In the CCP context, armed struggle involved a complexity of military, political and economic factors.

On September 16th 1939, Mao stressed in an interview that Sun Yat-sen's three stages of military rule, political tutelage and constitutional government were no longer appropriate to China's political development.<sup>1</sup> He argued that the people of China had proved

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1. Mao Tse-tung, "Interview with Three Correspondant....", September 16th 1939, SW, Vol.II, p.270.



themselves in war and were ready for democratic government. He, therefore, refused to consider proposals that the Shen-Kan-Ning Border Region be abolished to facilitate unification of the various united front governments. Mao was closely identified with the introduction of the three-thirds system, and the New Fourth Army Incident of January 1941 did not affect the CCP's implementation of that system in the February elections of the Shen-Kan-Ning Border Region. The second united front was bigger than the combination of KMT and CCP, and the three-thirds system came into wider use after the incident.

In April 1945, Mao claimed that all the policies of the anti-Japanese united front had been put into practice in the nineteen liberated regions of the CCP and that regional governments had been democratically established. Once again Mao dismissed the question of abolition for the sake of national unification and emphasized that the border regions constituted areas of political enlightenment.<sup>2</sup> During the uneasy peace which followed upon the Japanese surrender the CCP actively applied in its political struggle with the KMT the principle of united front and new democracy, and it was on this basis that the CCP countered KMT arguments for further unification and claimed that the KMT's Consultative Conference of 1946 was bogus.

Of course there was tremendous inter-regional unevenness in the establishment of people's democratic state power, and the regional variations very much related to the pattern of military conquest. The pattern was the most advanced in North and Northeast China. In 1946, the CCP energetically campaigned for democracy in the Northeast, and in mid-July it was claimed that the people of all nine provinces of the Northeast had elected provincial chairmen.<sup>3</sup> In August 186 delegates from various localities in the Northeast met to

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2. Mao argued that "national revolution" was entwined with the struggle for democratic reform and people's livelihood, and he repudiated "the so-called theory of two stages" (i.e. a stage of "national revolution" and then a stage of "revolution for democracy and people's livelihood"). See "On Coalition Government", April 24th 1945, SW, Vol. III, p.249.
  3. JMJP (Wuan edition), July 12th 1946.

discuss the strengthening of the relations between the provinces of the Northeast.<sup>4</sup>

The KMT, by way of contrast, failed to achieve effective organization at the supra-provincial level even in exclusively military terms. KMT military organization was elaborate and jurisdictions overlapped. This complexity was a reflection of political instability within the KMT. Clear lines of authority were difficult to establish in the context of competing factions. The CCP had experienced intra-elite conflict in the contexts of the Chang Kuo-t'ao dispute and the repudiation of Wang Ming, but Party leadership was comparatively stable as Mao established his position.

Prior to 1946, several regional commands with supra-provincial jurisdiction existed under the KMT's Military Affairs Commission (Chün-shih wei-yüan hui). Although this commission was abolished in the reorganization of KMT military structure in 1946, the several regional commands survived the reorganization and were redesignated presidential headquarters (chu-hsi hsing-yüan).<sup>5</sup> There were several headquarters responsible for South China, Northwest, Southwest, Northeast, North and Central China. Initially the several commissioners of the regional presidential headquarters were concurrently the highest civilian authorities in their respective regions, but these headquarters later became exclusively military agencies, and the chairmen of provincial governments assumed responsibility for all civilian matters in their respective provinces.

One very much suspects that the presidential headquarters were established by Chiang Kai-shek for the purpose of controlling the various war zone (chan-ch'u) commanders such as Yen Hsi-shan; commander of the Second War Zone and commander of the Twelfth War

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4. JMJP (Wuan edition), August 20th 1946.
  5. Hua Shang-pao, I-chiu-ssu-pä nien shou-ts'e (Handbook for 1948) section one, p.16.

War Zone, Fu Tso-yi. Under Ch'en Ch'eng's reorganization of March 1947, the war zones were abolished and replaced by Offices of Pacification (sui-ching kung-shu). Redesignations and transfers reflected shifts of power constellations within the KMT, and the KMT remained more or less a weakly integrated confederation of factions, which were controlled to various degrees by the generalissimo. Chiang insured his position by practising "divide and rule" and hence furthered the process of organizational decadence.

In the first year of fighting from July 1946 to June 1947, the CCP adopted the strategy of fighting on interior lines and lost substantial tracts of territory as a result of a vigorous KMT offensive. Yen-an itself, was occupied by KMT forces in March 1947. But after this initial contraction of CCP-held territory, the CCP's military forces began to switch to the offensive in the period July to September 1947. At the December 25-28th 1947, meeting of the CCPCC, it was decided: "Strive to wipe out the enemy through mobile warfare. At the same time, pay attention to the tactics of positional attack and capture enemy fortified points and cities".<sup>6</sup> The meeting also determined that the time was not yet ripe to establish a central government. The CCP was not yet ready to make bold outward attacks from interior lines. Although there was a new willingness to attack cities, the capture of cities was still viewed in short-term perspectives of the overnight exploitation of urban resources.

The CCP reconsidered its strategy in the spring of 1947 in the light of stunning military victories in the North and Northeast, and in the light of the disorders and excesses which occurred at the time of the taking of Anshan and Szuping in Kirin province. These victories opened up the possibility of creating large stabilized rear areas in the Northeast and North China, and cities could at that point be held on a more or less permanent basis. The

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6. Mao Tse-tung, "The Present Situation and Our Tasks", SW, Vol. IV, p.161.

preservation of urban assets was necessary to the rehabilitation of industry and the prosecution of positional warfare. It was no longer expedient to sacrifice urban production and the Party moved to defuse class struggle in the cities.

Reacting to the excesses in the taking of Anshan and Szuping, the NEB outlined the procedures and institutions necessary to the takeover of cities in an important directive. The directive was severely critical of cadres who despite the transition to positional warfare persisted in a "village viewpoint".<sup>7</sup>

To insure public order and to prevent any further occurrence of indiscriminate confiscation and destruction of urban assets, provisions were made for the creation of a Military Control Commission (chün-shih kuan-li wei-yüan hui) at the time of the takeover of any particular city. All local government and party personnel were to be responsible to the Military Control Commission (MCC). Before dealing with matters of substance, the MCC had first to report to and seek the approval of higher leadership organs, namely, the Northeast Administrative Committee and the Northeast Bureau of the CCP Central Committee.<sup>8</sup> The period of MCC control was to be determined by the next level of military command in accordance with the over-all military situation and conditions within the particular city itself. The powers of the MCC were to be transferred to the people's democratic municipal government once order had been restored, and one of the units occupying the city was thereupon designated as a municipal garrison under the leadership of the civil authorities.

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7. There had been troop disorders and the cannibalizing of valuable industrial equipment; for example, soldiers used electrical generator-parts as chamber pots, etc. The directive of the Northeast Bureau was Carried in the JMJP (Shihchiachuang edition), June 21st 1948. This document, along with other relevant material concerning CCP urban policy, is in Chung-kuo jen-min chieh-fang chün ju-ch'eng cheng-ts'e (Policy with regard to the PLA entering the cities), Hsin-hua shu-tien, c.1949; 1969 reprint.
  8. Chung-kuo jen-min chieh-fang chün ju-ch'eng cheng-ts'e, p.39.

The military aspect of the takeover machinery should not be overstressed. By resorting to this kind of institutional solution the Party was not abandoning newly-liberated cities to uninhibited martial law. The MCC was to act in the fashion of a receiver in a bankruptcy case; for example, in Peiping the MCC was assisted by a Joint Administrative Office, consisting of KMT officials and CCP representatives, in compiling inventories of the assets of the former government and bureaucratic capital. Upon completion of the inventory, the assets were then entrusted to the local people's government.<sup>9</sup> One must also bear in mind that the personnel on the Commission were not exclusively military personnel. Many cadres held positions in more than one system. The Commission also included officials of local government and party organizations.<sup>10</sup> The MCC was bound in its actions by the Party's urban policies in regard to rear services and the protection of industry and commerce.<sup>11</sup> The military had no independent power of confiscation. Only those military personnel necessary to the maintenance of public order could remain within city boundaries.

The overlapping membership of the MCC and municipal government facilitated a smooth transition from the former to the latter. Often municipal government was established within a matter of days after the creation of the MCC. The Peiping MCC started to function on February 1st 1949, under the command of General Yeh Chien-ying, who was under the orders of the Peiping-Tientsin Headquarters. On February 4th the new municipal government under Mayor Yeh Chien-ying started to function, and thus precipitated the gradual process whereby the powers and responsibilities of the MCC were passed to the municipal government.

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9. See William Brugger, "'Democratisation' and 'Enterprisation' in Chinese Industrial Enterprise — A Socio-political Perspective", PhD thesis, London University, November 1971, pp.26-27.
  10. Arthur Steiner has also reviewed the process of urban takeover in "Chinese Communist Urban Policy", American Political Science Review, Vol.XLIV, No.1, March 1950, pp.47-63, especially pp.56-58.
  11. JMJP (Shihchiachuang edition), June 21st 1948.

In September 1948, the CCP's Seventh Central Committee convened in Hsipaipo village, Hopei.<sup>12</sup> The CCPCC noted that whereas in the past the conditions of war, such as the criss-cross pattern of enemy lines and the isolation of the base areas, necessitated a high premium on the "initiative" and "enthusiasm" of leading organs of the Party in different areas, it was now necessary to check tendencies towards localism and guerilla-ism. The level of political integration was to be raised to a higher level of organization, and there was to be "centralization of sub-region leadership".

The development of land reform also called for a greater level of organization. Mao thus called for a greater emphasis on collective leadership and the strengthening of the Party Committee system as well as closer relations between the various levels of Party organization.<sup>13</sup>

The development of North China supra-provincial organization reflected the rapid creation of higher level organization to sustain the new positional war. In fact the September meeting of the CCPCC seemed to accredit the new North China government with the status of a de facto central government, hence the following decision:

"In order to facilitate support to the front, we have decided to entrust this government with the task of unifying the work of leading and administering the economy, finance, trade, banking, communications and war industries in three regions, northern China, eastern China (with a population of 34 million) and the Northwest (with a population of 7 million) and we are prepared in the near future to extend the unification of this work to two additional regions, the Northeast and the Central Plains."<sup>14</sup>

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12. The meeting had the largest attendance since the Japanese surrender. In the early years of the Civil War, members of the CCPCC were scattered and communications difficult, hence it was not then possible to hold such a large meeting. Mao Tse-tung, "On the September Meeting...", SW, Vol. IV, p.270, editor's note.
  13. See Mao Tse-tung, "On Strengthening the Party Committee System", September 20th 1948, SW, Vol. , p.267, and "The work of Land Reform and of Party Consolidation in 1948", May 25th 1948, SW, Vol. IV, p.258.
  14. Mao Tse-tung, "On the September Meeting...", p.272.

1948 was a watershed year in terms of the pattern of national political integration. As the PLA moved to exterior lines, the CCP began to study problems with a nationwide perspective. The switch to positional warfare necessitated an extension and development of military organization, and on November 1st 1948, the Revolutionary Military Commission of the CCPCC classified all troops into field, regional and guerilla forces and created five large field armies, the Northwest Field Army, Central Plains Field Army, the East China Field Army, the Northeast Field Army and the North China Field Army to carry out positional warfare in the several large regions of China. On November 2nd Mukden was liberated. On November 14th Mao predicted the war would be over by November 1949,<sup>15</sup> thus revising an earlier prediction of September 7th 1948, that the war would last five years, counting from July 1946.

In 1948 the Party began to shift its "centre of gravity" towards the cities. In 1948, the PLA moved to exterior lines. And in 1948 the level of political integration was elevated to the supra-provincial level with the creation of the North China People's Government. Consolidation in the rear areas of North and Northeast China was crucial to the war effort. In these stabilized areas, agricultural and industrial production could be developed so as to reinforce the advance into KMT-held areas. It was also in these areas that the Party hoped to train cadres to export to "newly liberated areas" in the south.

Throughout 1949, the CCP reaped the short-term benefits which accrued from the application of the Peiping and Suiyan patterns in central, south, southwest and northwest China. Mao, perhaps more than anyone, appreciated the nature of KMT organization as a confederation of shifting factions, and these two patterns were applied

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15. Mao Tse-tung, "The Momentous Change in China's Military Situation", SW, Vol. VI, p.288.

with the obvious intention of encouraging the development of centrifugal tensions within the KMT. The negotiations of April 1949, were undoubtedly pursued with this objective in mind. Mao described the situation perfectly:

"We are preparing to have negotiations with the reactionary Nanking government. Its moving forces for negotiating with us are the warlords of Kwangsi clique, those factions of the Kuomintang favouring peace and the Shanghai bourgeoisie. Their aims are to obtain a share in the coalition government, retain as many troops as possible, preserve the interests of the bourgeoisie in Shanghai and the south and do their best to moderate the revolution. ...Those trying to wreck the negotiations are Chiang Kai-shek and his sworn followers. ...Our policy is not to refuse negotiations, but to demand that the other side accept the eight terms in their entirety and to allow no bargaining. In return, we would refrain from fighting the Kwangsi clique and the other Kuomintang factions which favour peace, postpone the reorganization of their troops for about a year, allow some individuals in the Nanking government to take part in the Political Consultative Conference and the coalition government and agree to protect certain interests of the bourgeoisie in Shanghai and in the south."<sup>16</sup>

One notes that the magnanimous gestures, explicit in the PLA's eight-point programme were consistent with the Peiping-Suiyuan approach; for example point five reads:

"Except for the incorrigible war criminals and counter-revolutionaries who have committed the most heinous crimes, the People's Liberation Army and the People's Government will not hold captive, arrest or subject to indignity any officials, whether high or low, in the Kuomintang's central, provincial, municipal and county governments, deputies to the 'National Assembly', members of the Legislative and Control Yuans, members of the political consultative councils, police officers and district, township, village and pao-chia officials, so long as they do not offer armed resistance or plot sabotage. All these persons are enjoined, pending the takeover, to stay at their posts...."<sup>17</sup>

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16. Mao Tse-tung, "Report to the Second Plenary Session of the Seventh Central Committee of the Communist Party of China", March 5th 1949, SW, Vol. IV, p.371.
  17. Mao Tse-tung, "Proclamation of the Chinese People's Liberation Army", April 25th 1949, SW, Vol. IV, p.398.



In May through December, several provinces fell peacefully to the PLA; for example, on August 4th, the KMT governor of Hunan province, Chien Cheng, renounced his allegiance to the KMT and handed his province over to the CCP. In September the KMT Garrison Commander-in-Chief of Sinkiang and the provincial governor renounced their allegiance to the KMT government and handed their province over to the CCP. On December 9th, the KMT authorities in Yunnan and Sikang renounced their allegiance to the KMT, and these two provinces were peacefully liberated.

The swiftness of the PLA's advance had a significant impact on the national pattern of political integration. While the CCP's forces had fought on interior lines there had been opportunity to further the inter-relation of armed struggle on the one hand, social reform and the establishment of people's democratic state power on the other, but the speed with which the PLA advanced in 1948 and 1949 militated against the successful inter-relation of military, political and economic factors, and the inter-relation broke down south of the Yangtze. This breakdown reinforced the tendency to strengthen horizontal co-ordination as well as vertical command, and flexibility, as well as discipline, was emphasized in the attempt to deal with the tremendous regional variations in the process of political integration. These emphases to a large extent determined the structure and functioning of the GAR governments. Before moving on to a brief consideration of the formative development of each of the several GARS, it would seem appropriate to describe further the above inter-relation, particularly in terms of the development of agrarian reform in Northeast and North China. In terms of the CCP's definition of "political integration", agrarian reform was crucial, and it can be noted here that the successful completion of agrarian reform was one of the three criteria for the establishment of people's governments at the GAR level.

Between 1946 and 1948, agrarian reform policy seriously fluctuated from a radical position in relation to the rich peasants, to a more intermediate position, articulated in the Outline Land Law

of September 1947, to the position of February 1948, which dictated that blows would be struck exclusively at landlords while rich peasants would be manoeuvred into neutrality. Most of the early CCP bases in Northeast and North China experienced the provisions of the Outline Land Law in the period of late 1947 to mid-1948. Those areas, which later experienced agrarian reform enjoyed the soft class line, explicit in the arrangements of February 1948.

The CCP's scheme of political integration was inclusive of three broad categories of "liberated area", namely, "old", "semi-old", and "newly liberated area".<sup>18</sup> "Old liberated areas" were those areas established prior to the Japanese surrender. In these areas, it was not considered necessary to redistribute land for a second time in accordance with the provisions of the Outline Land Law of September 1947. The bulk of the rural population in the "old liberated areas" were middle peasants, the majority of whom were classified as "new middle peasants". The "semi-old liberated areas" were liberated during the period September 1945, to August 1947. Localities in this second category had some experience of land reform, especially in terms of "settling of accounts" (ching-suan); however, in these areas there was to be a thorough distribution of land in accordance with the September 1947 law. In this second category of liberated area, the poor peasants constituted the majority. The third category, namely the "newly liberated areas", included territory liberated after August 1947, and it is in these areas that landlords and rich peasants remained influential while the masses had yet to be mobilized.

Within the larger categories of "old liberated" and "semi-old liberates", the Party further elaborated on three sub-categories of area in the February 22nd 1948, "Directive on the Work of Land Reform and Party Consolidation in the Old and Semi-Old Areas".<sup>19</sup>

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18. Mao Tse-tung, "Different Tactics for Carrying Out the Land Law in Different Areas", SW, Vol. IV, pp.193-195.

19. Available in I-chiu-ssu-ch'i nien i-lai Chung-kuo kung-ch'an tang chung-yao wen-hsien chi (A collection of important documents of the CCP from 1937 on), pp.62-68, The three categories are outlined on pp.62-64.

Those localities which had been placed in the first category were areas in which the May 4th 1946, directive had already been carried out. These areas had experienced the campaign for rent and interest reduction, the "settling of accounts" and land distribution. This category was characterized in terms of class analysis by a large class of middle peasants, which constituted from fifty to eighty per cent of the local population. More than half of this percentage was classified as "new middle peasant". Similarly, these areas had more "new" than "old rich peasants".

In the second category, however, the pattern of land reform was relatively more uneven. In parts of these areas, the "settling of accounts" and land reform had already been carried out, but elsewhere due to bureaucratism, commandism and wartime conditions, land distribution had not been equitable, and remnants of the feudal system still persisted. In those parts where land distribution had not been thorough, there was an unsatisfactory numerical relations between "old rich peasants" and landlords on the one hand and "new rich peasants" on the other, and the bulk of the rural population (fifty to eighty per cent) was still made up of poor peasants and hired labourers. The middle peasants represented twenty to forty per cent of the population, the greater part of which was "old middle peasant".

In the third category, although some parts had undergone the "settling of accounts" and land reform, yet work was very poor, with the result that the feudal system had not been broken, and landlords and rich peasants retained ownership of a great deal of landed wealth. In other parts of these areas, land reform was at a complete standstill.

These different sets of conditions necessitated three different sets of tactics; for example, in each of the three categories of locality there was a different relation between poor peasant corps and peasant associations. Under the more advanced conditions of class metamorphosis, extant in the first category, it was not necessary to encourage poor peasant corps to take up leadership in the locality. Land distribution had already been carried out, and the middle peasants constituted the majority. In this instance, if

the Party focused too exclusively on poor peasants, it risked separation from the majority, and for this reason a broader base in the membership of peasant associations was sought.<sup>20</sup>

The poor peasant corps were thought to serve a more useful purpose in localities of the second category, as poor peasants and hired labourers constituted the majority of the populations in these areas. In this category, poor peasant corps would continue to be organized; however, once the majority class had actually gained leadership, the peasants' associations were to be placed on a broader class basis which would include "new rich peasants", but exclude "old rich peasants" and landlords. It is in the localities of the third category that the Party was to expend its greatest efforts at stimulating the leadership of the poor peasant corps.

As for the "newly liberated areas", it was decided to implement the Land Law in two stages. During the first stage, the rich peasants were to be neutralized, and the landlords isolated and attacked. In the second stage the Party would concentrate on distributing the land, rented by the rich peasants. The pace of land reform in these areas had to be closely correlated with local circumstances, in particular the level of political consciousness of the local masses. By forcing the pace the CCP would have violated the conciliatory spirit of united front and antagonized the rural populations in those areas with little experience of CCP policies.

The Party had experienced serious deviations in North China land reform. In 1946-47, middle peasants had been antagonized and industrial and commercial enterprise destroyed. In conjunction with the new emphasis on China's cities and the development of urban production to support the new positional war, Mao and Jen Pi-shih adopted a soft line on class struggle in the countryside.

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20. Note Mao's comments in "Essential Points in Land Reform", SW, Vol. IV, p.201.

A Party directive of May 25th 1948, established three conditions which had to be met prior to the initiation of land reform in a particular area, namely, the elimination of enemy armed forces, the presence of a sufficient number of experienced Party cadres, and a demand on the part of the majority of farm labourers, poor and middle peasants for land reform.<sup>21</sup> The directive specifically excluded from the implementation of land reform areas in North, Northeast and Northwest China, which bordered on enemy territory, and also the area enclosed by the Yangtze, Huai, Yellow and Han Rivers, which was under the jurisdiction of the Central Plains Bureau of the Central Committee.<sup>22</sup>

The Party was especially sensitive to its lack of a political base in the "newly liberated areas". It was feared that a lightning campaign of land reform imposed on a politically unprepared populace, would jeopardize production in a time of economic and fiscal crisis and disrupt the gradual process of political integration. Hence, in August 1948, the Central Plains Bureau of the CCP Central Committee made an about-face and ordered the cessation of land distribution and a return to rent and interest reduction. An editorial of August 4th 1948, explained the Party's position in the following terms:

"We in the Central Plains Liberated Region must as in the case of all newly liberated areas throughout the country carry out land reform without exception. This is absolutely basic policy of our Party and Army. We have no intention to deceive anyone on this point, but it must be appreciated that in order to carry out land reform there has to be an appropriate context as well as adequate political preparation."<sup>23</sup>

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21. Mao Tse-tung, "The Work of Land Reform and of Party Consolidation", SW, Vol. IV, pp.254-55.

22. Ibid., p.255.

23. See Lun hsin-chieh-fang ch'u t'u-ti cheng-ts'e, (On land policy in the newly liberated areas), Hsin-hua shu-tien, 1949, p.12.

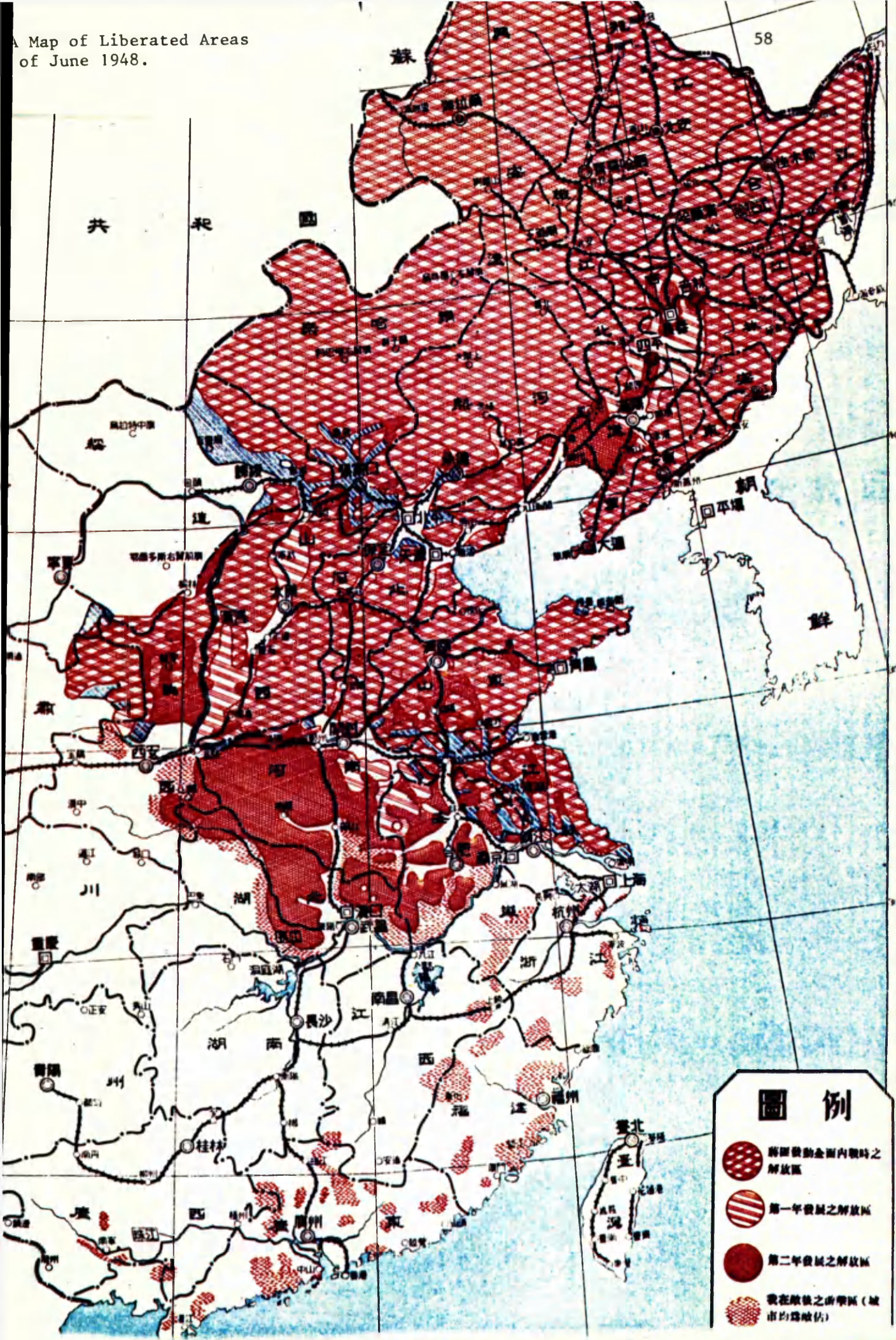
It should be stressed that the threefold classification of "old", "semi-old", "newly liberated areas", was not exclusive to land reform, but also pertained to other types of work such as the building of people's democratic state power (which was integrated to a degree with the process of land reform), the propagation of new culture, etc. This classification was central to the strategy for social revolution in the countryside. The application of the mass line was first attempted at key-points, which acted as reference points for the further development of new contiguous points. Fundamental to the Party's strategic thinking was the inter-relation of "advanced", "intermediate" and "backward" areas. Intermediate and backward areas would relate to advanced areas. The momentum in advanced areas would propel intermediate and backward areas forward. Cadres, who experienced the mass line in "old" and "semi-old liberated areas" could be exported to the "newly liberated areas".

The map on p.58 is particularly useful as it gives a rough idea of the extent of CCP liberated area in the summer of the second year of the Civil War, prior to the PLA's lightning advance south of the Yangtze and prior to the breakdown of the inter-relation between armed struggle and social revolution.<sup>24</sup>

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24. This map is extracted from PLA General Headquarters, Chung-kuo jen-min chieh-fang chan-cheng san-nien chan-hsu, (Battle results of three years of PLA warfare), July 1949. Unfortunately, the map does not distinguish the full extent of "semi-old liberated area". The double red criss-cross pattern indicates area, which the CCP claimed (it would seem rather generously) to have held at the time when "Bandit" Chiang initiated large-scale Civil War in 1946. The single-line angular red pattern indicates areas liberated in the first year of the war, July 1946-July 1947. The solid red is area liberated in the second year, while the dispersed red dottings are areas of guerilla activity. The small areas of blue-lining are areas, retaken by the KMT.



A Map of Liberated Areas  
of June 1948.



### 圖 例

-  將國發動全面內戰時之解放區
-  第一年發展之解放區
-  第二年發展之解放區
-  戰在敵後之游擊區（城市均為敵佔）



The later demarcation of the GARs was such that as much "old" and "semi-old liberated area" as geographically possible was included in East China, Central-South and Northwest China; for example, Shantung, which might well have been placed within the geographical context of the North China Plain, was situated within East China so that "old liberated area" could exert influence on "newly liberated area". Similarly, the "newly liberated areas" in South Kiangsu and South Anhwei were to relate to "old liberated area" in North Kiangsu and North Anhwei.

The pattern of military conquest, the success of the Peiping-Suiyan approach and the Party's switch to a go-easy approach to agrarian reform and to a conciliatory approach towards the national bourgeoisie dramatically affected the course of national political integration, as the inter-relation of armed struggle with social revolution, the creation of people's democratic state power and economic reconstruction was different in different parts of the country. This inter-relation was different in "old", "semi-old" and "newly liberated areas", and there was a very broad general difference between north and south. Mao discussed these differences in March 1949:

"Conditions in the south are different from those in the north, and the Party's tasks must also be different. The south is still under Kuomintang rule. There, the tasks of the Party and the People's Liberation Army are to wipe out the Kuomintang's reactionary armed forces in city and countryside, set up Party organizations, set up organs of political power, arouse the masses, establish trade unions, peasant associations.... In the countryside, our first tasks are to wage struggles step by step, to clean out the bandits and to oppose the local tyrants... in order to complete preparations for the reduction of rent and interest. ...At the same time, care must be taken to maintain the present level of agricultural production as far as possible, and to prevent it from declining. In the north, except for the few new Liberated Areas, conditions are completely different. Here the Kuomintang has been overthrown, the people's rule has been established and the land problem has been fundamentally solved. Here the central task of the Party is to mobilize all forces to restore and develop production; this should be the centre of gravity in all work."<sup>25</sup>

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25. Mao Tse-tung, "Report to the Second Plenary Session of the Seventh Central Committee of the Communist Party of China", March 5th 1949, SW, Vol. IV, pp.365-366.



The operational headquarters for agrarian reform, as well as the other campaigns of the early 1950's in the "newly liberated areas", were set up at GAR level, hence the GAR governments were primarily responsible for bringing the various areas within their jurisdiction to a common point of political integration. We might now turn to review briefly the formative development of each GAR. The demarcation of the GAR administrations are set forth in the map on p.61.<sup>26</sup>

#### North China Liberated Region

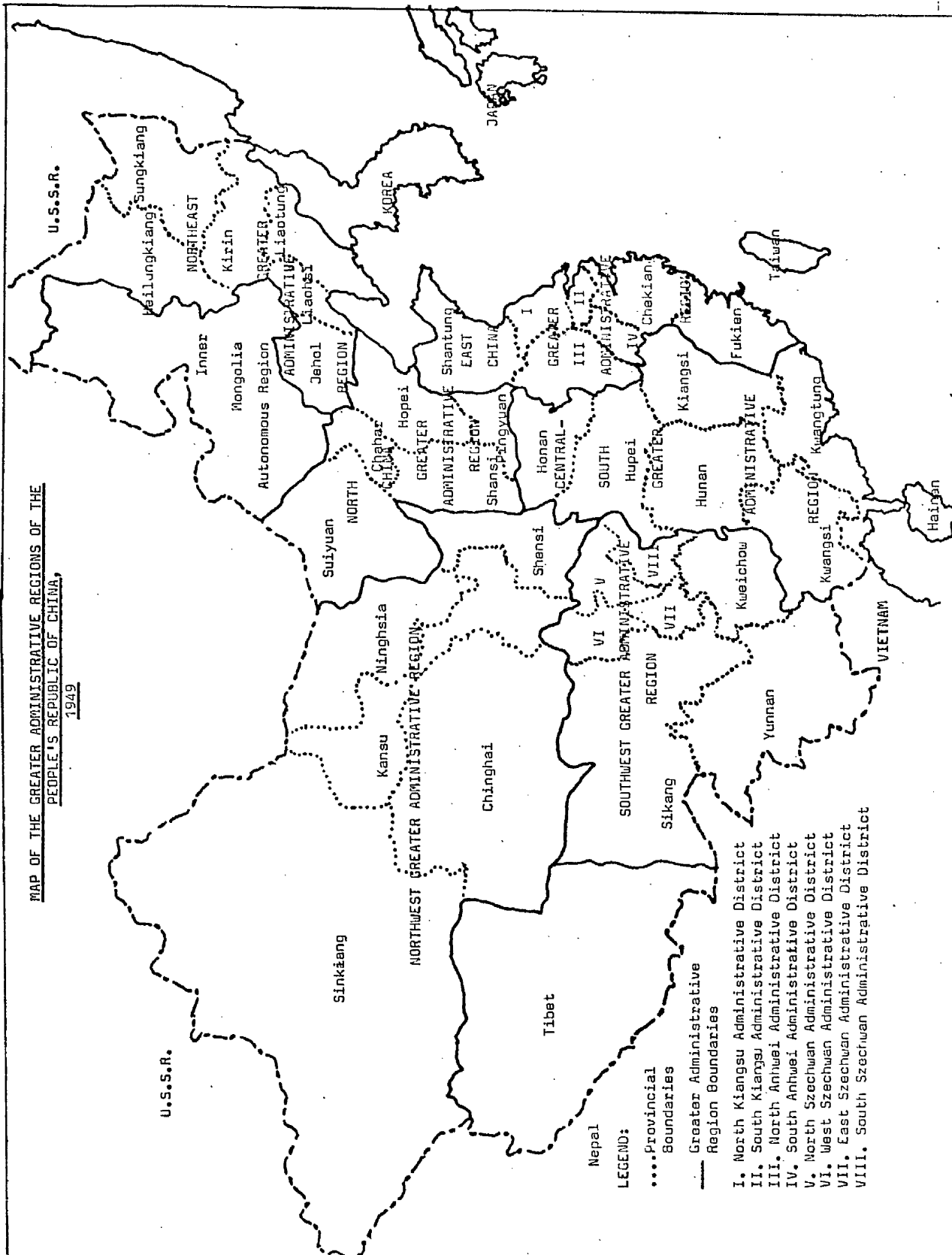
The North China Liberated Region is particularly important as the North China People's Government acted at one point as a de facto central government. One might also note in this connection, that in October 1949, the NCPG made a significant contribution to the staffing and organization of the new Central People's Government.

On May 20th 1948, the two regional bureaux of Chin-ch'a-Chi and Chin-Chi-Lu-Yu Border Regions were merged to form the North China Bureau of the CCPCC. The two corresponding military districts had earlier been merged to create the North China Military District, and one might also note that units of the three armies, which were brought together to form the North China Field Army, unlike the units assigned to the other field armies, were placed under the direct command of the PLA General Headquarters.

On June 15th, the Jen-min jih-pao announced the creation of the North China Liberated Region. The paper stressed that it was not possible to unify the whole of the country, but that the pattern in North China would soon be repeated in the Northeast, Northwest, Central Plains and East China.<sup>27</sup> North China was to be regarded as

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26. There is a map in English available in People's China, October 1950, Vol.2, No.7, pp.17-18. See Chinese map in Chung-hua jen-min kung-ho kuo fen-sheng ti-t'u, (Maps of the provincial divisions of the People's Republic of China), Shanghai, 1951, Map.No.20. For the convenience of the reader, the population figures of the various GARs are here set forth: East China, 140,928,712; Northeast China, 41,570,678; North China, 67,068,386; Northwest China, 23,472,480; Central-South China, 136,775,290; Southwest China, 70,634,691. These figures were compiled by the Ministries of the Interior, Agriculture, Finance and Trade and Office of Statistics of the GAC Committee of Economic and Financial Affairs, and are available in Hsin-wen pao, Hong Kong, in SCMP, No.466, December 5th 1952, p.18.
27. JMJP (shihchiachuang edition), June 15th 1948.

MAP OF THE GREATER ADMINISTRATIVE REGIONS OF THE  
PEOPLE'S REPUBLIC OF CHINA,  
1949



a firm base while the PLA was militarily engaged in other regions. In this region, the CCP was in a position to begin the tasks of restoration and reconstruction. The Jen-min jih-pao appealed for the restoration of agricultural production, the completion of land reform, "crack troops and simple administration", the reform of management methods in industry, the revival of handicrafts, the repair of irrigation, the planned distribution of raw materials, the strengthening of united front organizations, the establishment of people's governments, etc.

On June 26th in Shihchiachuang, a joint session of the Chin-Chi-Lu-Yu Border Region Consultative Conference and the Resident Committee of the Chin-Ch'a-Chi Border Region Consultative Conference, passed a resolution calling for elections to the North China Provisional People's Congress (hua-pei lin-shih jen-min tai-piao ta-hui).

During the first session of the North China Provisional People's Congress, which lasted from August 7th to 19th, government leaders of the various North China border regions reported on the work of border region governments over the last two years. The Chairman of the Chin-Chi-Lu-Yu Border Region government, Yang Hsiu-feng, was happy to report that the feudal system had been wiped out in "old" and "semi-old liberated" districts of some 21,500,000 people. Similarly, the Chairman of the Chin-Ch'a-Chi Border Region government reported that ninety per cent of his border region had already undergone land distribution.<sup>28</sup> The Congress elected the North China People's Government Council (NCPGC) on September 4th. The delegates then approved draft regulations for temporary agrarian taxation in North China, as well as regulations for the creation of city, hsien and village people's democratic state power.

Tung Pi-wu, in his new capacity as Chairman of the NCPGC, delivered the opening address at the Congress. He noted that although the present Congress was "regional" and "provisional" in nature, it

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28. U.S. Consulate-General, Peking, Translation of North Shensi Radio Broadcasts, September 1948, p.2.

was basically different from past conventions held in liberated areas.<sup>29</sup> The Congress was said to represent the establishing of new democratic state power in North China, and in general outline was similar to East European democracies. The composition of the Congress reflected the structure of the united front, and it was held up as a model in the context of the preparation for a new Political Consultative Conference to replace the "bogus" one of 1946.

News of the North China Provisional People's Congress was received warmly by the various democratic parties in Hong Kong. The coalition character of the NCPG was stressed in the Hong Kong press; for example, one paper described the new government as "the foundation for the future federal democratic coalition government."<sup>30</sup>

Nieh Jung-chen, one of the keynote speakers at the Congress, pointed out that with the exception of the Shen-Kan-Ning Border Region, North China was the oldest liberated region and constituted a base where the Party had enjoyed a long period of work.<sup>31</sup> Like his colleagues, Nieh stressed the high degree of political consciousness of the North China population and the successful implementation of land reform in the region.

#### Northeast Liberated Region

Except for North China, the greatest concentration of "old liberated area" was situated in the northeast, and the level of political integration there could be roughly compared to that of North China.

During the August 1946 meeting of delegates from the various localities in the Northeast, the Joint Office of the Administrative

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29. JMJP (Shihchiachuang edition), September 11th 1948, p.1.

30. U.S. Consulate-General, Hong Kong, Review of the Hong Kong Chinese Press, No.152, "Light Comes from the North", September 2nd 1948.

31. JMJP (Shihchiachuang edition), September 11th 1948, p.1.

Affairs of the Provinces and Municipalities of the Northeast (hsing-cheng lieh-ho pan-shih ch'u) was established. The 186 delegates discussed the unified planning of promotion of local government.<sup>32</sup>

According to CCP periodization, the CCP-KMT conflict in the Northeast passed through three stages leading up the capture of Mukden and regionwide liberation.<sup>33</sup> During the first stage, lasting from September 1945 to December 1946, the KMT forces spread over a wide area, while the CCP moved back to interior lines in the hinterland. During the second stage, January 1947 to April 1947, the KMT adopted a strategy of holding the north while attacking the south, but eventually switched to a defensive posture altogether. From May 1947 to August 1948, the CCP took the offensive, cutting up KMT lines and isolating KMT military forces. In a period of fifty days the CCP recovered forty-two cities, hence the necessity for the "shift in the centre of gravity of Party work".

On June 9th 1948, the Standing Committee of the Northeast Administrative Committee detailed the composition of delegates to the forthcoming Northeast People's Representative Congress.<sup>34</sup> At the second plenary session of the Northeast Administrative Committee on July 21st 1948, it was noted that land reform was almost completed, and the call went out to conduct elections at the municipal, hsien, and ch'u levels.<sup>35</sup>

As in North China, a campaign was waged in Party and government agencies against anarchism and indiscipline. The process of political integration of the Northeast Liberated Region was greatly enhanced by the convening in the last weeks of August 1949, of the Northeast People's representative Congress. On August 29th, Lin Feng,

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32. JMJP (Wuan edition), August 20th 1946, p.1.

33. JMJP (Shihchiachuang edition), August 26th 1948, p.2.

34. North Shensi Radio, June 12th 1949.

35. JMJP (Shihchiachuang edition), September 16th 1948, p.2.

as the Chairman of the Northeast Administrative Committee (tung-pei hsing-cheng wei-yuan hui), reported to the Congress on the work of the government during the past three years.<sup>36</sup> Lin Feng warmly praised the enthusiasm of the people in the Northeast in furthering the war effort. 1,600,000 workers and peasants of the Northeast had joined the PLA. Lin briefly reviewed the development of the land reform campaign, which had started in July 1946. The Land law, promulgated by the CCP Central Committee in October 1947, had been adapted to local conditions in the Northeast, and the process had unfolded along a north-south axis. Land reform in most areas of Northern Manchuria had been completed in the spring of 1948; however, it was not until the spring of 1949 that the process was basically completed in the new areas of Southern Manchuria.

In terms of the economic development of the Northeast, the liberation of Mukden in November 1948, proved to be a turning point. At that time, according to the analysis of Li Fu-ch'un, Vice-chairman of the Northeast People's Government, the Party turned its attention away from the problems of the liberation struggle and concentrated on the restoration of production.<sup>37</sup> Li echoed the sentiments of the leaders of the CCPCC and stressed the northeast's significance in terms of the future of national industrialization.

The relation of the northeast to the national pattern of political integration was somewhat paradoxical. The process of economic reconstruction was already well under way in the Northeast during the summer of 1949, and the Party decided to insulate the Northeast economy from the regional economies south of the Great Wall, where financial and economic conditions were more directly affected by the war. By protecting Northeastern industry from

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36. For the text of Lin Feng's remarks see JMJP, Peking edition, August 29th 1949, p.2.

37. Li Fu-ch'un, "Kuan-yü i-chiu-wu-ling nien tung-pei ts'ai-ching-chi chi-hua ti pao-kao", (Report on the economic and financial plan for the Northeast in 1950) in CFKTPK, 1950, p.408.

inflation south of the wall, the Party would seem to have involved itself in an apparent contradiction, for such protection came at the cost of inhibiting the programme for the nationwide unification of regional currencies. The introduction of the jen-min pi into the Northeast was delayed, but by protecting industry in the Northeast the Party was assuring itself a viable base with which to launch a national programme of industrialization once the Civil War came to an end. In effect, the Party cultivated the industry of a particular region in the national interest.<sup>38</sup>

The 1949 trade agreement between the Northeast People's Government and the Soviet Union must also be placed in the context of this strategic emphasis. Since it had been decided to focus on the development of industry in the northeast, the necessity of an agreement with the Russians, which included the importation of machinery and materials necessary to industry, would seem self-explanatory. Since there was no recognized central government in China at the time of the treaty negotiations, and since the highest level of government at that time was at the GAR level, it is not surprising that the NEPG was involved in the treaty. Even after the creation of the central government, MACs were assigned functions in foreign affairs.

#### Central Plains Liberation Region (CSGAR)

Teng Tzu-hui, in his report to the inaugural session of the Central Plains Military and Administrative Committee, reviewed the government work of the Central Plains Provisional People's Government (chung-yuan lin-shih jen-min cheng-fu) and the history

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38. Li Fu-ch'un and others presented this argument to the fourth session of the CPGC, and it was subsequently developed in the columns of the JMJP. See Li Fu-ch'un, op.cit., p.409, and JMJP, March 31st 1951. The JMJP editorials relating to currency unification are reproduced in HHYP, July 1950, Vol.2, No.3, pp.613-615.

of the liberation of the central plains.<sup>39</sup> Overall it took two years and four months to liberate the whole of the region, but the greater part was liberated in the last six months after the Third and Fourth Field Armies crossed the Yangtze in April 1949.

After the liberation of the Kaifeng-Chengchow area in October 1948, the Party made the "shift in the centre of gravity". Previously the CCP had concentrated on the countryside areas surrounding the cities, and these areas had been brought under the jurisdiction of seven administrative districts. In this formative period, the policies of the CCPCC Central Plains Bureau were adapted to the different military conditions of each administrative district, and each administrative district office exercised a substantial degree of autonomy within the policy parameters set by the CCPCC. But with the great change in objective conditions in the fall of 1948, there was need for provincial and supra-provincial organization to support the war effort. The switch to position/war necessitated greater economic integration in terms of the restoration of urban-rural trade interflow, the checking of inflation and the revival of industrial and agricultural production.

The thrust towards large regional organization was explicit in the December 1948 call for the convening of the All-Circles People's Representative Conference of the Central Plains. In March 1949, the Conference convened and elected a provisional people's government. In the subsequent months, the Fourth Field Army moved further south and the Central Plains Region became the larger Central China Region (Hua-chung ch'u). At the second session of the government council various administrative districts were abolished so as to pave the way for the organization of the Honan and Hupeh provincial governments.

In September 1949, the PLA made another breakthrough, penetrating the province of Kiangsi and most of the province of Hunan. The provincial government and Kiangsi and Hunan and the municipal government of Wuhan were organized while the army prepared for an

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39. Teng Tzu-hui, "Chung-yüan lin-shih jen-min cheng-fu chin-i nien lai ti shih-cheng kung-tso", (Administrative activities of the Central Plains Provisional People's Government over the past year), in HHYP, Vol.1, No.5, 1950, p.1126.



attack on South China. Canton was liberated thirteen days after the creation of the Central People's Government. The Central China Region was expanded to include Liangkwan, hence the new designation, the Central-South Greater Administration Region (chung-nan ta-hsing cheng-ch'ü).

During the first plenary session of the Central-South MAC, Vice-chairman Teng Tzu-hui, commented on the plans for the political transition in the vast "newly liberated regions" of Central-South China.<sup>40</sup> He announced that government systems were to conform with old administrative demarcations, and that government organs were to be created from top to bottom, from the province down to the ch'ü. In terms of the creation of military systems, Teng recommended that "localization" (ti-fang hua) be emphasized and that each local guerilla force should act as the backbone of local military organization.

The cadres were told to concentrate first on the takeover of the cities. In the case of large and medium sized cities, the transition was supervised by either an MCC, or a Provisional Work Committee. Once the process of takeover in the cities had been completed, the cadres were then to move into the surrounding countryside. In the countryside during the transition the CCP followed the ideologically distasteful, but pragmatically necessary policy of retaining the services of former pao-chia officials. The Party acted to avoid chaos and indicated that it was a good opportunity for these officials to atone for their sins, and the promise was held out that upon rendering meritorious service such officials would be retained as cadres, even after the establishment of the people's democratic state power.

Teng in his analysis provided an interesting note on cadre composition in Central-South China.<sup>41</sup> 10,000 cadres had been transferred from North China to Central-South China, and 8,000 more had been transferred from Northeast China. The CSMAC authorities

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40. Teng Tzu-hui, Administrative activities etc., op.cit., section two, pp.1126-1127.

41. Ibid., section two, p.1127.

also drew on the membership of underground Party organization, which was concentrated particularly in the provinces of Kwangsi, Hunan and Kwangtung. Altogether the cadres, who originated with the underground Party apparatus, numbered 5,000. The Party also actively recruited local intellectual and working class activists.

Teng talked at length concerning the gap between city and countryside. He was especially concerned about the disruption of the flow of trade between the countryside and city due to a complexity of factors such as the wartime destruction of communications, spiralling inflation and the lack of currency unification. Urban industry was starved of raw materials, and there were food shortages. Teng noted the basic change in policy from exploitation of cities to the careful husbanding of cities as important economic assets. He did not care to comment too specifically on the effects of the CCP's own impulses towards autarchy, and instead he commented on the KMT's disruption of the relation between country and city:

"This phenomenon [i.e. the disruption of trade and the separation of city and countryside] is essentially the nefarious consequence of an antithesis between countryside and city, which the former KMT regime has bequeathed us. Although the cities have been liberated, a large part of the countryside remains yet in the grip of feudal forces, and this is the reason why this phenomenon has developed. However, in the past we were placed in the context of wartime divisions and used the countryside to surround the cities. In the past we were accustomed to the enemy blockade. We controlled imports and exports, and we collected taxes locally. As for the old set of techniques of the various semi-autonomous governments, although we have already undergone a change in terms of regional and countryside unification, yet there has been no immediate change in this same set of techniques, and these techniques have impeded closer relations between city and countryside."<sup>42</sup>

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42. Teng Tzu-hui, Administrative activities, etc., op.cit., section three, pp.1127-1128.

Before officials in Central-South China could begin a programme of agrarian reform, they had to create conditions of political stability. Unlike North China and Northeast China, Central-South China and similarly Northwest, Southwest and East China were characterized by widespread social disorder. In the reports of officials of the latter four regions, constant reference was made to the KMT's "so-called guerilla warfare". KMT guerillas, local despots and bandits were tied together as subversive elements. In accordance with the official view of the CCP, the KMT, having lost at positional warfare then turned to subversion in the hope of denying the CCP full control over the countryside. While it may be difficult to establish whether or not the KMT did have such a grand design, and actually managed to co-ordinate hostility in the countryside against the CCP, one can say that there was a serious threat to social order in the countryside, which manifested itself in sniping, looting and the disruption of harvesting and tax collection. The retrogressive social phenomena, which characterized warlordism, did not, of course, immediately disappear with the declaration of a people's republic.

Teng Tzu-hui outlined the three steps to be taken to eliminate social disorder.<sup>43</sup> The first step was primarily to involve military action, designed to reduce the numbers of enemy agents and bandits, and to throw their bands into confusion. The second stage was one of political action coupled with complementary military action. The leaders of the bandit gangs were to be arrested and the masses were to be activated. The third stage exclusively involved mass movements.

There were certain tasks, for which any one region would have greater responsibility than the other regions; for example, the East China military establishment was particularly responsible for the liberation of Taiwan. The CSMAC, on the other hand, was

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43. Teng Tzu-hui, Administrative activities, etc., op.cit., section four, pp.1128.

responsible for the logistical support of the Second and Fourth Field Armies in the military campaigns in South and Southwest China.

Once the liberation of South and Southwest China had been accomplished, the Central-South and South China military establishments were still responsible for the liberation of Hainan and the various small islands off the southern coast of China. It is significant that within the Central-South Greater Administrative Region, the fiscal burden was apportioned in accordance with the timetable of political integration at local levels.

General T'an Cheng in a report on the military tasks of the South China region for 1950, noted that the PLA had three general responsibilities, namely the liberation of the South China islands, the elimination of bandits and enemy agents, and finally production and "education".<sup>44</sup> In Liangkwan, parts of west and south Hunan and west Hupeh, the army was to focus first on the liberation of Hainan and elimination of banditry. In the "semi-old liberated areas" of Honan and Hupeh, where the bandit question had been resolved as well as in parts of Kiangsi and Hunan, where the bandit question had been basically resolved, the military was to place a priority on production in keeping with Mao's December 5th 1949, directive, which urged the PLA to engage in production in order to help overcome the government's financial crisis. T'an proposed as an approach to bandit suppression, "a necessary and progressive decentralization" of military units, and the South Chian authorities had in fact already begun to implement a policy of "localization of independent divisions" (ti-fang hua ti ko tu-li shih).<sup>45</sup>

44. T'an Cheng, "Kuan-yü i-chiu-wu-ling nien chung-nan chün ch'ü wu-chuang pu-tui kung-tso jen-wu ti pao-kao", (Report on the work tasks of 1950 for military units of the Central-South Military District), in HHYP, May 1950, Vol.1, No.1, p.16.

45. Ibid., p.16.

### East China Liberated Region

The East China Liberated Region was in a slightly better position, as compared with the Central-South, to advance the process of political integration, as there were larger tracts of "old liberated area" in that region, and this region had earlier contact with the North China border regions.

Shantung had acted as the hinge, connecting East and North China, and had also acted as the logistical base for the PLA's penetration into the central-eastern part of China. After the CCP's victory in the Huai-hai campaign the various bases in North Anhwei were brought under centralized leadership. Tseng Hsi-sheng in a report on government work conditions in the North Anhwei Administrative District paid tribute to the tremendous efforts of the people of North Anhwei in assisting the PLA in the crossing of the Yangtze.<sup>46</sup>

The logistical back-up of the crossing was a mammoth undertaking. A branch of the East China Finance and Economic Affairs Office was set up at the front to co-ordinate the supply effort. After the liberation of Shanghai, the functions of the branch office were transferred to the Shanghai Finance and Economic Takeover Committee. The problem involved in supplying the PLA in South Anhwei, South Kiangsu and Chekiang were particularly difficult as local state organs had yet to be established in these areas.

On December 2nd 1949, Jao Shu-shih reported to the fourth session of the Central People's Government Council on political and economic conditions in East China.<sup>47</sup> Implicit, if not explicit in his remarks was a note of complaint concerning the heavy fiscal burden imposed on East China by the central authorities. East China

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46. Tseng Hsi-sheng, "Kuan-yü Wan-pei hsing-cheng ch'ü kung-tso ching-k'uang ti pao-kao" (Report on work conditions in the North Anhwei Administrative District), in CFKTPK, 1950, p.685.
47. Jao Shu-shih, "Kuan-yü hua-tung kung-tso ching-k'uang ti pao-kao", (Report on the work conditions in East China), CFKTPK, 1950, pp.543-544.

was being asked to assimilate 32 per cent of the burden of national revenue collection. While Jao was prepared to admit that the task was indeed glorious, he felt it was extremely onerous in the light of conditions prevailing in East China. He noted that East China would have to absorb most of the financial shock associated with the anticipated liberation of Taiwan and the Chusan Islands. Jao asked the central authorities to consider the fact that East China had to support 2,000,000 field army personnel, regional and local personnel and former KMT personnel. He indicated that he was worried over conditions in East China's "newly liberated areas". The various levels of state organization had yet to be set up in some areas, the "feudal" landlords still controlled the villages, and bandit gangs persisted in disrupting social order. East China was suffering from severe famine in Shantung, North Kiangsu and North Anhwei, and the KMT blockade and bombardment of Shanghai and the east coast had resulted in the stoppage of foreign trade and the disruption of communications lines feeding Shanghai industry. It was this latter point which made the liberation of Taiwan imperative in Jao's view.<sup>48</sup> He linked hostile forces in the East China countryside with the continued presence of the KMT on Taiwan.

At the first plenary session of the ECMAC, in late January 1950, Jao and his colleagues discussed the preparations for the assault on Taiwan and reviewed the process of political integration in the region. Jao indicated that in the following three months all towns of 30,000 or more were to convene all-circle people's representative conferences. All provinces (except Taiwan) and administrative districts were scheduled to convene all-circles people's representative conferences during 1950, and as soon as conditions permitted, the East China All-Circles People's Representative Conference was to be convened.

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48. For an assessment of the military problems involved in the liberation of Taiwan refer to Su Yü, "Kuan-yü hua-tung chun-shih ching-k'uang ti pao-kao", (Report on the state of military affairs in East China), in Shanghai chieh-fang i-nien, pp.27-29.
49. Jao Shu-shih, "Kuan-yü hua-tung chün-cheng wei-yüan hui kung-tso jen-wu ti pao-kao", (Report on the tasks of the ECMAC) in CFKTPK, 1950, p.550.

### Northwest and Southwest Liberated Regions

The northwest and southwest were the last regions to be liberated. The campaign to liberate the southwest did not really get under way until after the founding of the People's Republic. As of October 1st 1949, there was still a one thousand mile enemy front, but whereas it had taken two years and four months to liberate all of the Central-South, the PLA liberated the Southwest in less than 57 days. Both regions shared a common problem in terms of the density of national minority populations. But the northwest had a "leading factor", namely the old Shen-Kan-Ning Border Region, whereas the Southwest did not.

Peng Teh-huai made a report to the fifth session of the CPGC on January 7th 1950, which outlined conditions in the Northwest. Peng noted that the Sinkiang and Ninghsia provincial governments had already been formed and that cadres were at that moment organizing provincial governments in Shensi, Kansu and Chinghai. Obviously he could not make the same kind of claims as Jao Shu-shih, Chairman of the ECMAC, or Kao Kang, Chairman of the NEPGC, in terms of the significance of industrial development in his region, but he did stress the abundance of natural resources in the northeast. The central authorities nonetheless chose to assign an agricultural role to the northwest for "a definite period".<sup>50</sup>

The northwest was characterized by vast stretches of land and a thin population. Although the region sprawled over almost one third of China's land mass, less than five per cent of China's population resided there. Physical distance and communications constituted a problem in so far as the economic integration of the Northwest with the rest of China's economic system was concerned. Trade with Russia appeared not only as inviting, but necessary. Peng favoured closer trading relations with the Russians and criticized the policies of the former KMT regime, which had resulted in disruptions of Sino-Russian trade.

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50. Peng Teh-huai, "Kuan-yü hsi-pei kung-tso ching-k'uang ti pao-kao" CFKTPK, 1950, pp.413-414.

Peng elaborated on the plan for work in the northwest, stressing that the key to work was to act "in accordance with different local conditions" (an-chao pu-t'ung ching-k'uang ti ti-ch'ü).<sup>51</sup> Whereas in the "old liberated areas" the NWMAC intended to develop production and facilitate economic recovery, in the "semi-old liberated areas", the focus was on mass mobilization and the completion of agrarian reform.

At the inaugural session of the NWMAC in January 1950, Peng reviewed the schedule for land reform in the northwest.<sup>52</sup> Part of west Shensi, different localities of Kansu and Ninghsia and a special region of Chinghai were earmarked for land reform in the period between the autumn harvest of 1950 to the spring planting of 1951. Peng hoped that land reform would be completed in all areas of Kansu, Ninghsia, Shensi and in most of Chinghai by spring, 1952, but he impressed on his colleagues the point that a very selective and cautious approach was to be adopted in areas where minority nationalities resided, and that cadres were first to start in rural areas, in which there was a composite population of Han and minorities.

Peng indicated that people's representative conferences at the ch'ü and hsiang levels were to be entrusted with the responsibility for creating the legal apparatus necessary to the prosecution of land reform. It was anticipated that provincial all-circles people's representative conferences would soon be convened in Kansu, Ninghsia, Chinghai, Sinkiang and Shensi. The All-Circles People's Representative Conference of the NWGAR was to be convened in 1951.

With the rapid military collapse of the KMT elsewhere in China, it is not surprising that the PLA covered more territory in shorter time in the Southwest than anywhere else, and that the "Peiping" and "Suiyuan" patterns fell on particularly fertile ground

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51. Peng Teh-huai, "Kuan-yü etc.," *op.cit.*, p.414.  
 52. Peng Teh-huai, "Kuan-yü mu-chien hsi-pei ti-ch'ü ti kung-tso jen-wu", HHYP, Vol.1, No.5, pp.1124-25.



in the Southwest. The four Military and Administrative Committees in the CSGAR, ECGAR, NWGAR and the SWGAR were experiencing financial difficulties, but these difficulties were particularly severe in the Southwest, due to the costs of demobilization. The Vice-chairman of the SWMAC, Teng Hsiao-ping reviewed the situation in the SWGAR for the benefit of the members of the CPGC on April 11th 1940.<sup>53</sup> On November 1st 1949, units of the First, Second and Fourth Field Armies initiated the campaign to liberate the southwest. On the 29th, "Bandit" Chiang fled "ignominiously". On the 30th, units of the Second and Fourth Field Armies triumphantly entered Chungking. Major military operations were concluded on December 27th. Within fifty-seven days, the PLA marched 3,000 li and inactivated 900,000 (400,000 of whom had surrendered and were taken prisoner, while another 400,000 had changed sides).

Teng summed up the implications of the "Peiping" and "Suiyuan" patterns: "If we don't manage well the problems involved in the feeding and clothing of some 2,000,000 men then there will be chaos".<sup>54</sup> Like his colleagues in the other three MACs, Teng Hsiao-ping was worried about KMT threats to disrupt social order in the countryside. According to his intelligence reports, the KMT, after the CCP's victory in the Huai-hai campaign, had already begun preparation for "so-called guerilla warfare", and some 5,000 agents had reportedly been trained in Szechwan to organize this type of warfare. Unless the CCP quickly established its ability to support the 900,000 military personnel and 400,000 civilian personnel, whom the CCP inherited from the KMT, there was the real danger of a resurgence of warlordism and banditry on a large scale. Initially, the SWMAC experienced grave financial difficulties, and Teng revealed that southwest tax receipts would not even account for 20 per cent of regional government expenditure.

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53. Teng Hsiao-ping, "Kuan-yü hsi-nan kung-tso ching-k'uang ti pao-kao" CFKTPK, 1950, p.989.

54. Ibid., p.991.

The Chairman of the SWMAC, Liu Po-ch'eng, anticipated that demobilization in the SWGAR would be further complicated by the influx of military personnel returning from other GARs. In accordance with the CCP's generous co-optation programme, KMT officers were offered transport to their native districts. Demobilization Work Committees were set up at various levels to declassify KMT personnel and assist in their training for employment in civilian life. Liu instructed that the PLA should first turn to problems of banditry and demobilization before turning to carry out Mao's directive of December 5th, calling for PLA involvement in production.<sup>55</sup>

One report indicated that there was a great deal of opposition to the CCP's tax collections in the countryside.<sup>56</sup> Apparently, 2,000 cadres had died in the attempt to collect the public grain tax. Aside from problems of deliberate sabotage, sniping and the burning of grain by enemy agents and hostile landlords, the rural population at large was less than enthusiastic to pay a tax on a harvest, which had already been taxed heavily by the KMT. These serious problems of social disorder not unnaturally affected the progress of the first stage of agrarian reform.

Liu Po-ch'eng stressed the inter-relation between the KMT's "so-called guerilla warfare" and rent and interest reduction.<sup>57</sup> Like his colleagues on other MACs, such as Jao Shu-shih and Peng Teh-huai, he stressed that there must be solid preparation prior to the second stage; otherwise, social chaos would favour the KMT's strategy in the countryside.

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55. Liu Po-ch'eng, "Hsi-nan ch'ü ti kung-tso jen-wu" (Work tasks of the southwest region), HHYP, Vol.2, No.5, pp.997-998.
  56. Liu Tai-feng, Vice-chairman, SWMAC Economic and Finance Committee, "Kuan-yü hsi-nan ts'ai-ching kung-tso ti pao-kao", (Report on the Southwest economic and finance work), July 27th 1950, CFKTPK, p.992. Also see William Skinner, "Aftermath of Communist Liberation in the Chengtu Plain", Pacific Affairs, March 1951, Vol. XXIV, No.1, p.64.
  57. Liu Po-ch'eng, "Hsi-nan ch'ü ti kung-tso jen-wu", (Work tasks of the southwest region), HHYP, Vol.2, No.5, pp.996-999.

The Southwest authorities faced a formidable task of regional political integration at a time when government and Party systems were suffering from a staggering shortage of experienced personnel. The core of SWMAC personnel was made up of cadres from three sources, namely, personnel exported from "old liberated areas", PLA and local underground Party personnel. This core of 30,000 represented a sixth of the regional cadre work force. Fifty per cent of the work force was composed of retained KMT personnel. The remainder consisted of student, worker and peasant activists.<sup>58</sup>

Supra-provincial organization emerged in the context of a process of political integration, which was based on an inter-relation of armed struggle with processes of social revolution, economic construction and the establishment of people's democratic state power. This inter-relation as of October 1st 1949, was most advanced in North China and Northwest China, where agrarian reform had been basically completed and where united-front style governments were created. The inter-relation was less advanced in Central-South and East China, and was almost non-existent in the Southwest and Northwest GARs. The Central-South, East China, Southwest and Northwest China had yet to achieve agrarian reform, while the Northeast and to a certain extent North China, were already engaged in the process of economic reconstruction.

In the early 1950's the GAR structures played an important role in the creation of new national state structure and that role was played out in the very specific context of a very familiar historical emphasis on the relation of centralized leadership to local creativity and initiative. The structure and functioning of the GAR governments reflected a philosophy of administration based on a dialectical unity of flexibility and discipline, which maximized the principle of "dual" leadership and the horizontal as well as vertical inter-relation of different systems of organization.

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58. Liu Po-ch'eng, "Hsi-nan ch'u" etc., "op.cit.", p.999.

## III

THE CREATION OF A NEW NATIONAL STATE STRUCTURE

In this chapter the question of the role of the Greater Administrative Regions in relation to the creation of a new national state structure is taken up and examined firstly in terms of the inter-relation of military, political and economic factors in the progressive elaboration of the new administrative demarcations of 1949-54, secondly and most importantly in terms of the C.C.P.'s philosophy of administration, as it relates to the inter-relation of different levels of government in the course of policy formulation and implementation, and thirdly in terms of what is described as the "federalization of the executive machinery", whereby parts of the centre were sent down to the GAR level to oversee the pattern of national political integration and reduce the "administrative distance" between centre and provinces.

i) The Rationality of Regional Administrative Demarcation

Chou Fang, the author of Wo-kuo kuo-chia chi-kou, (China's state structure), once asked what is meant by "administrative demarcation" (hsing-cheng ch'u-hua). The question is not only of concern to the geographer, but is of vital importance to both the political scientist and the economist. Through an understanding of the reasons for Chinese Communist "administrative demarcation" we can, on the one hand gain rich perspective as to the significance of "regionalism" and on the other, as to the rationale of the CCP's approach to China's economic development.

Chou Fang, in answering his own question not surprisingly adopted a Marxist framework for discussion.<sup>1</sup> Capitalist administrative demarcation, he argued, was profoundly affected by the ruling class attempt to "divide and rule" (fen erh chih-chih)

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1. Chou Fang, WKKCK, pp.78-79.

and pre-1949 administrative demarcation reflected China's semi-feudal, semi-colonial position in the world of competing imperialist powers. Chou asserted that post-1949 demarcation was based on a recognition of and respect for the cultural life of China's nationalities and the prerequisites of the people's livelihood. The latter emphasis meant taking into account local economic conditions, population density and communications facilities. The CCP advanced the general argument that the KMT "reactionaries" and their "imperialist" partners had failed to view China's natural resources from a total perspective.<sup>2</sup> More specifically, it was argued that under KMT policy China's natural resources were extracted piecemeal to the benefit of foreign capital.

GAR administrative demarcation to a large extent evolved specifically out of the military context of the "War of Resistance" and the "Third Revolutionary Civil War". One is keenly aware that an analysis of the CCP's wartime experience in relation to this demarcation is especially complicated by difficulties in isolating military from economic and political factors. The way, in which the CCP in 1949 perceived the national economy related directly to military strategy, as it evolved in the Sino-Japanese and Civil Wars. The way in which various problems of supply, consumption, communications and transport were perceived relates back to the specifics of border region experience.

We might briefly note that the Yen-an experience placed a high premium on "self-reliance", (tzu-li keng-sheng) the utilization of all positive economic factors and the optimizing of local resources and manpower. It would seem that these emphases determined the parameters of the CCP's thinking on national economic development when the Party began to transpose its border region experience to the national level in the early 1950's.

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2. For example see Kuo Jui-ch'u, Hui-fu shih-ch'i ti chung-kuo ching-chi, (The Chinese economy in the period of restoration), 1953, p.27.

We have already seen that "centralized leadership and decentralized management" originated with a military perspective on the relations of command to guerilla warfare. Indeed, the CCP's whole approach to local economic development is consistent with perspectives, relating to military organization. The mutually sustaining relationship between local militia organization and regional military forces on the one hand, and regional and regular, or positional forces on the other, is broadly consistent with an economic strategy based on the assumption that local economic development will sustain rather than contradict national economic development.

One could perhaps add, parenthetically, that military organization has often been a crucial element in the formation of state structure in Chinese history. The sword was inevitably the final arbitrator of imperial fortunes. The origins of the pao-chia system of social control were military. The ideal of the farmer-soldier, explicit in the system of military colonization (t'un-t'ien) is very ancient; for example, the famous Chinese general, Ts'ao Ts'ao not only used military colonies to overcome the logistical problems explicit in China's natural geography, but also to restore agriculture in areas of central China devastated by war.<sup>3</sup> Later, under the T'ang dynasty, a divisional militia system was developed throughout north China on the basis of the principle of dispersion and self-supply. Once Kiangnan had been developed as a key economic area, capable of supplying the needs of the central government bureaucracy and the canal system was improved, the logic of a self-sufficient defence establishment became less compelling.<sup>4</sup> One might note, however, that the Maoist emphasis on self-reliance, which was originally formulated to meet the dispersed political and economic conditions of border region conflict, became explicit in the very process of national economic integration which occurred in the 1950's.

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3. See Mark Elvin, The Pattern of the Chinese Past, p.37.

4. Ibid., p.65.

The important question at hand, however, is to what extent the 1949 administrative demarcation reflected an economic and/or political rationality. Observers in 1949-50 in fact suggested that China's demarcation into Greater Administrative Regions was not in the least rational in economic terms. The following analysis was offered by the US Consulate-General in Hong Kong:

"It has been suggested that one of the Communists' reasons for establishing larger regional groupings on a formal basis was a conscious desire to undermine the past geographical basis for existing political regionalism and thus to restrict the unilateral activities of the provinces.

To a certain extent, the regional units are now utilized by the central regime for policy formulation and regional planning. Attempts at logical analysis of the present regions of Communist China from a strictly geographical or economic standpoint, however, do not really clarify the rationale employed by the Communists in constituting the regional divisions in the first place. It may be pointed out, for instance, that few of the regions exhibit any major features of an integrated regional economy and that some are actually composed of widely differing economies, physiographic features, and cultures."<sup>5</sup>

The geographer, Norton Ginsberg, came to much the same conclusion. In his view the division of China into northeast, north, northwest, southwest, central-south and east might well have derived from a deliberate political design to insure that no one region had sufficient economic potential to challenge the centre politically. Ginsberg suggested the following axiom:

"The Administrative Areas seem almost to have been developed on the assumption that centralized political power can be wielded efficiently in inverse proportion to the degree of regional development and integration possible."<sup>6</sup>

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5. CB, No.170, "Pattern of Control", April 8, 1950, p.3.
  6. N.S.Ginsberg, "China's Changing Political Geography", Geographic Review, January 1952, pp.102-117, especially p.104.

In his view, the administrative demarcation of East China and Central-South China defied China's natural economy, disrupting latitudinal economic organization in favour of a longitudinal grouping of provinces, which irrationally lumped together double-cropping rice areas with winter wheat-millet-kaoliang areas. There is, however, no reason to assume that in the perspective of the CCP agriculture or natural geography was the final determinant of supra-provincial demarcation.

The development of the Northeast economy does not substantiate a hypothesis which suggests the CCP leadership acted on the assumption that centralized political power could only be wielded efficiently in inverse proportion to the degree of rational economic development and integration possible. In fact, the leadership strengthened the economic integrity of the Northeast region in 1949 when the provinces therein were reduced from ten in number to six, and again in August 1954 when the provinces of Liaohsi and Liaotung were combined to create Liaoning. During the first years of the People's republic at a time when the central government structure was still in an embryonic state, every effort was made to promote the integrity of the industrial sector in the northeast. In fact, the northeastern economy was then taken the base for national economic development.

This "divide and rule" hypothesis underestimates the drive for and commitment to economic restoration on the part of the Chinese Communist leadership, and overestimates the possibilities of "regionalism". One can seriously doubt that the apprehension of "regionalism" was so great that the leadership would have adopted an administrative structure which in all possibility would have seriously jeopardized economic restoration. Furthermore, this perspective does seem to suggest that the CCP was not confident of the ideological commitment, which had been generated amongst the cadres in the previous decades of struggle.

Ginsberg cited the disposition of Shantung province within the jurisdiction of the ECMAC as a good example of what he meant by the disruption of the "latitudinal organization of China's



political economy".<sup>7</sup> Writing in 1952, he could not have taken into consideration the fact that Shantung was once again placed in the overall regional context of East China in July 1957. Shantung's economic relation to the North China Plain has failed to impress China's planners. Why? In 1949, as has already been argued, there was good reason to place Shantung under ECMAC jurisdiction.

Firstly, in terms of political integration, the CCP deliberately encouraged a pattern whereby the advanced would lead the backward. More specifically, the "old liberated regions" of Shantung were to exercise an influence on and act as a point of reference for the vast "newly liberated regions" of East China. Secondly, the leadership may have placed Shantung within ECMAC's jurisdiction in order to facilitate the logistical back-up of the projected invasion of Taiwan.

It is difficult to determine just how much deliberate planning went into the creation of the regional administrative demarcations of 1949. To a large extent these regions were the natural, organic outgrowths of specific military and political exigencies of the Civil War. In the autumn of 1949, there were immediate considerations which had to be taken into account, such as understandings with KMT generals, who had defected, the different timing of liberation in various parts of the country, the uneven development of Party and mass organization, the hitherto uneven progress in land reform, and the need to create united front organization in the vast "newly liberated regions". The alternatives of administrative demarcation were, thus, limited. There was little possibility of assuming a theoretical tabula rasa and redrawing the map of China so as to conform to absolute principles of economic rationality. In this respect, we might turn to the following admission of the author of Wo-kuo kuo-chia chi-kou (China's state structure):

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7. N.S. Ginsberg, op.cit., p.107.

"Because the period of Chinese liberation was brief, we could not possibly have demarcated administrative regions exclusively on the basis of scientific principles as was the case in the Soviet Union. We had no alternative but to make certain adjustments. Over several years the administrative regions underwent several changes and these changes were all determined by and consistent with the needs of work."<sup>8</sup>

The outlines of the GARs were already distinct prior to the promulgation of the Organic Regulations of the People's Government Councils of the Greater Administrative Regions in December, 1949. As of 1941, the CCP had control over fifteen revolutionary bases, but in 1946, the CCP carried out an extensive reorganization of state administration and the following six large regions were created: Shansi-Chahar-Hopei; Shansi-Hopei-Shantung-Honan; Shansi-Suiyuan; East China (including former bases in Shantung, Kiangsu, and Anhwei); North-east China; and the Central Plain (Hopei-Honan).<sup>9</sup>

The move to integrate border regions into larger liberated areas had already been anticipated in terms of Party organization. Article Twenty-six of the 1945 Party constitution had stipulated:

"To facilitate the direction of the work of the provincial and regional Party organizations, the Central Committee may, according to the needs of circumstances, establish central bureaux and sub-central bureaux, each of which shall have jurisdiction over several provinces or border regions. The said bureaux shall be appointed by the Central Committee and shall be held responsible to it. Any of the said bureaux may be abolished or merged with any other(s) when its continued existence becomes unnecessary."<sup>10</sup>

This arrangement in terms of Party organization was indicative of the very flexible approach which the CCP took in relation to problems of organization in the context of shifting military lines, and herein lies the authority for the creation of the CCPCC Bureaux, which were attached to the GAR administrations of the early 1950's.<sup>11</sup>

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8. Chou Fang, p.81.

9. Jacques Guillermez, A History of the Chinese Communist Party, 1921-1949, p.429.

10. See CB, No.8, September 4, 1950, p.10 for the English text of this document.

11. Descriptions of the jurisdictions of these bureaux is available in CB, No.48, January 2, 1951, pp.1-12.

The process of integrating the old border regions into larger liberated regions took place over the years 1947-50. It is important to note that the GARs took shape in the context of united front organization. In the "old liberated regions" the evolution of united front organization is obvious. In 1947, the Northeast Administrative Committee (Tung-pei hsing-cheng wei-yüan hui),<sup>12</sup> was created. Government organization advanced a further step when on August 17th, 1949, the Northeast People's Government (NEPG) was formally inaugurated. The progress of reintegration and creation of people's democratic state power was even faster in North China. As a result of a provisional people's conference of August 7th, 1948, the North China People's Government (NCPG) came into being. Steps in the same direction were taken in Central-South China. The Central Plains Bureau of the CCPCC convened in December 1948 an all-circles people's representative conference, which led to the establishment of the Central Plain Provisional People's Government in March 1949.

In terms of the overall military struggle the PLA had won before there was time to allow for the transition from provisional administrative committee to people's government council in the Southwest, Northwest, Central-South and East China. Although the four Military Administrative Committees, which were created in December 1949, were something less in formal constitutional stature than the North-east People's Government Council, they, nonetheless, reflected a basic united front character; for example, the Northwest GAR was created when the Shensi-Kansu-Ninghsia and Shansi-Suiyuan Border Regions were merged in February, 1949.<sup>13</sup> The NWMAC was formally inaugurated at a regional congress of January 19th-27th, 1950, and was represented as the culmination of the great historical mission of the Shen-Kan-Ning Border Region Government. In composition, the NWMAC represented the various localities of the NWGAR, the various nationalities, democratic

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12. This committee is not to be confused with a committee of the same name, created in the reorganization of state administration in November 1952. See JMST, 1949, Section 1, p.32.
13. See H. Arthur Steiner, "New Regional Governments in China", Far Eastern Survey, Vols. 18-19, May 1950, p.114.

parties, the PLA, the revolutionary classes and patriotic democratic elements.<sup>14</sup> The NWMAC was used to woo the minority nationalities. Pai Hai-feng, for example, was elected to the NWMAC to represent the Mongols; Ma Hung-pin represented the Moslems, Hsi-Jao-Chia-Ts'ao, the Tibetans, etc.

Jao Shu-shih, Chairman of the new ECMAC, repeatedly stressed the united front aspect of the ECMAC in his remarks at the inaugural congress which installed the ECMAC on January 17th, 1950. He observed that the ECMAC not only represented the region's 130 million people, but it more specifically represented the various provinces, the PLA, the overseas Chinese, the various revolutionary classes and other patriotic elements. The ECMAC, he stated, was a "democratic, united government of a local character, which brought together the people of East China in a great alliance".<sup>15</sup>

To return to the basic questions to what extent did administrative demarcation represent a deliberate planning effort, and what was the rationality which sustained this planning effort? It would seem that the GARs to a certain extent were a natural outgrowth of the political and economic conditions of the mid and late forties; however, we must qualify this observation with the perspective, already suggested in Chapter Two, that the CCP leadership did attempt to include as much of "old liberated region" in the territories of the four MACs as was geographically possible, in order to provide the vast "newly liberated regions" with points of reference. The CCP's perspective in this regard will perhaps become more clear when we come to a discussion in later chapters as to the technique of "leaping from points to surface". What was the underlying rationality? It will be argued in the next section of this chapter and elsewhere that the GAR-level governments were conceived of as an administrative expedient to overcome the terribly uneven pattern of economic and political integration, which characterized China in 1949.

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14. See "Tai-hsing hsi-pei jen-min cheng-fu chin-ch'uan; hsi-pei chün-cheng wei-yüan hui ch'eng-li", (The powers add functions of the Acting North-west People's Government; the Establishment of the North-West Military and Administrative Committee...), JMJP, January 21, 1950, p.2
  15. See "Hua-tung chün-cheng wei-yüan hui ti ch'eng-li", (The establishment of the ECMAC), JMJP, February 3, 1950, p.1.

The JMJP editorial of November 17th 1952, explained why the creation of the GARs had been necessary in the following terms:

"During the past three years, we have also carried out on a nationwide basis the difficult tasks of economic rehabilitation and reconstruction. In these tasks due to the imbalanced development of the local economy in different areas, due to the differences in the time of liberation and enforcement of democratic reforms in different areas, uniform measures could not be applied all over the country, and the Central People's Government accordingly authorized the leadership organs of the administrative regions to attend to the task of the restoration and development of the economy in keeping with local conditions and in fixing priority and attaching greater importance to such issues as considered proper."<sup>16</sup>

The question of the demarcation of the Greater Administrative Regions is only part of the much larger issue, namely what was the specific rationality underlying the CCP's approach to administrative demarcation. Chou Fang conceded that demarcation in 1949 had to take into account immediate political and military circumstances and was not, therefore, consistent with scientific principles employed in the Soviet Union, but we also have noted that he did choose to emphasize that administrative demarcation, achieved under the new people's regime, was more scientific (in terms of the principles of Marxism-Leninism) than had earlier been the case under the KMT.

As the following points illustrate, there were difficulties in reconciling some of the 1949-54 administrative demarcation, which had been explicit in the conditions of war-time China, and which had been carried over into the new era of the People's Republic, with the new Marxist-Leninist logic, which under ideal conditions was to determine administrative demarcation.

The problem of defining strategy for national economic development in terms of the perspectives of the war years in north China was already evident in 1949. On August 1st, 1949, the North China People's Government adjusted the administrative demarcations within the new North China Liberated Region. Several Administrative

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16. See translation of this editorial in SCMP, No.455, November 19, 1952, pp.3-5.

Districts (hsing-cheng ch'u) such as Hopei-Shantung-Honan, Taihang, Taiyueh, Hopei-East, Hopei-Central, and Hopei-South were abolished and the boundaries of the provinces of Hopei, Suiyuan, Shansi and Chahar demarcated.<sup>17</sup> The NCPG claimed that the administrative demarcation was consistent with the region's economic conditions, historical mass relations and natural conditions; however, the creation of the province of Pingyuan out of south-western Shantung, was a radical departure from the traditional provincial demarcation of north China. The area of Pingyuan covered hsien, located in the old border region of Shantung-Honan-Hopei, the demarcation of which had been quite rational in terms of the development of warfare in North China and in terms of the disposition of CCP communications.

In the course of the reorganization of state structure and the adjustment of administrative demarcations in November 1952, Chou En-lai explained that the abolition of the new province of Pingyuan was necessary to conditions of work. Chou took the following position on Pingyuan:

"The old provincial system has certain historic and economic connotations. To readjust the territories in accordance with the old system will be of interest of work. For instance, Pingyuan province was composed of the hsien in the Shantung-Honan-Hopei border region. After the inauguration of Pingyuan, no new economic centre was established. The part previously subordinated to Shantung province still took Tsining (i.e. Chining) in Shantung province as economic centre, and the part previously subordinated to Honan province still took Sinhsiang (i.e., Hsin-hsiang) as economic centre, and maintained close economic ties with Changchow and Kaifeng in Honan province."<sup>18</sup>

17. See JMJP, August 1st 1949, p.1.

18. See SCMP, No.494, January 17-19 1953, p.38. Also refer to official text of decision of the CPGC, dated November 15th 1952, which details a list of hsien, most of which were returned to their traditional provincial affiliations. Text available in Jen-min min-chu cheng-ch'üan chien-she kung-tso. (The work of establishing the people's democratic state power), p.127. Chou En-lai's observation would seem to confirm William Skinner's arguments concerning the importance of the natural marketing system in China. In particular Professor Skinner has argued that the CCP's attempt to substitute commune marketing organization for natural marketing system failed. As for the relation between marketing and administrative demarcation, Professor Skinner drew the following conclusion: "Whereas administrative units are discrete throughout the system, each lower-level unit belonging to only one unit at each ascending level, marketing systems are indiscrete at all levels except that of the standard market". See William Skinner, "Marketing and Social Structure in Rural China, Part III", Journal of Asian Studies, No.3, May 1965, P.373.

The decisions of November 1952, noted that the demarcation of certain areas had taken place in relation to developments in the Sino-Japanese and Civil Wars, hence the creation of Pingyuan province and North and South Kiangsu Administrative Districts. Indeed, the level of administrative district, unlike the special district, seems to have been an ahistorical administrative creation, which was designed to act as a temporary expedient to overcome administrative problems in provinces, where provincial administration had been completely disrupted in the war years. Szechwan, it was claimed, had in 1949 to be divided into four administrative districts "...due to its great expanse in order to facilitate leadership immediately after liberation".<sup>19</sup> In the summer of 1952, North and South Anhwei were united, as were the four administrative Districts of Szechwan. North and South Kiangsu were united at the same time. In November 1952, Pingyuan and Chahar were abolished.

It is obvious that the CCP did not attempt to apply a new rationality in terms of work conditions. Hsien, which were considered either too large or too small, were adjusted. Of 334 hsien in North China, 23 were newly created. Most of the 23 had been created by dividing traditional hsien in two, hence in Tangshan Special District, Hopei, for example, the western part of Ch'ien-an hsien was designated as Ch'ien-hsi hsien, and the southern part of Feng-jun hsien was designated as Feng-nan hsien.<sup>20</sup>

A good example of this tendency to think in terms of smaller-sized administrative units is provided in a 1951 directive of the CSMAC, which ordered a redrawing of hsiang and ch'ü in the Central-South in order to facilitate the work of establishing the people's democratic state power. Note the following instruction:

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19. See SCMP, No.455, November 19th 1952, for translation of a JMJP editorial of November 17th 1952, covering the relation between capital construction and administrative readjustments. Reference here is on p.5 of SCMP, No.455.
  20. See "Hua-pei tung-pei liang hsing-cheng ch'ü hua chieh-shao", (An introduction to the administrative demarcations of North China and Northeast China), HHYP, Vol.1, No.6, p.1355.

"In order to further our work and efficiently mobilize the masses to take part directly in rural administration, the classification of administrative areas in the countryside should follow the principle of "small ch'ü and small hsiang". If a hsiang is made too large, there would be need for a lower administrative organ. In such cases, administrative work may not be thorough and the various democratic systems may deviate into mere forms. If a ch'ü is too large, there would be difficulty over subordinate hsiang."21

In his November 21 1952, report on the work of the CSMAC, Teng Tzu-hui made the following point: "In the work of administrative construction, the hsien is naturally the most important unit, but the foundations are built on the hsiang".22 Indeed, the convening of hsiang people's congresses was an extension of the work of agrarian reform in so far as it represented an institutional guarantee of the new revolutionary order in the countryside. Teng stressed that proper administrative demarcation was prerequisite to the convening of people's congresses, and he outlined a programme to increase the Central-South's 4,100 ch'ü to 5,300 ch'ü. The emphasis on small ch'ü and hsiang was in his words "to facilitate the centralization of the views of the masses and the supervision of government by the masses".23 The move to reduce the size of sub-hsien organization was, of course, more obvious in the vast "newly liberated regions", south of the Yangtze, where CCP control had been established rather late.24

One is immediately struck by the flexibility and degree of experiment, which characterized sub-hsien and hsien demarcation. Readjustment in accordance with work conditions was undertaken for a great many reasons, hence the new hsien, I-ch'un, was created in Heilungkiang to facilitate construction in the forestry industry. Similarly, Hung-che hsien was created in Kiangsu to facilitate

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21. See CCJP, June 19th 1951, article translated in SCMP, No.142, p.20. The Principle, "small ch'ü and small hsiang", as it relates to agrarian reform, had been set forth by Mao in a Politbureau decision of February 19th 1951. See Mao Tse-tung, Mao Tse-tung hsüan-chi, Vol.5, Peking, 1977, p.35.
  22. Teng Tzu-hui, "Report on the work of the CSMAC", in CB, No.160, February 20th 1952, p.30.
  23. Teng Tzu-hui, *ibid.*, p.23. Franz Schurmann in Ideology and Organization in Communist China, has suggested that administrative demarcation was carried out in order to insure against the infiltration and domination of the lowest levels of state administration by vested village interests.
  24. See Franz Schurmann, fn.62, pp.440-441.



work in the fishing industry and to insure control over lake areas, while Shih-mien hsien was created in Szechwan to strengthen administrative control over mining in that area.<sup>25</sup>

In summary one can note that GAR and provincial demarcation reflected a strategy, whereby "old liberated regions" were to lead "newly liberated regions", and as for administrative demarcation as a whole, we can accept with qualification the thrust of the following analysis, put forward by the Russian observer, L.M. Gudoshnikov:

"With regard to the denomination of units of administrative-territorial division, both permanent and temporary, if you exclude the question of the regions of national autonomy, no fundamental changes took place in comparison with the period before the formation of the people's republic.... This, however, does not mean that after the formation of the People's Republic of China, the old administrative-territorial division remained as a whole. Without considering here the question of the intermediate units of this division which do not exist at present (large administrative regions...), it should be said that much work was carried out by the people's government to regulate the administrative-territorial division with a view to adjusting it to the needs of development of industrial and agricultural production, the development of the cooperative movement in agriculture, reduction of the state apparatus, with a calculation of the relations between nationalities, of popular customs and of the size of the population. The work to regulate the administrative-territorial division acquired a special dimension with the beginning of the socialist industrialization and of socialist reforms."<sup>26</sup>

An assessment of the historical significance and underlying rationality of the 1949-54 demarcation must include a consideration of the later creation of the "co-ordinated economic regions". Such an assessment brings into sharp focus the problems involved in the inter-relation of economic, political and military factors in the

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25. Refer to "Chung-hua jen-min kung-ho kuo hsing-cheng ch'ü cheng ti hua-fen", (The delineation of PRC administrative demarcations), Ti-li hsüeh-pao, Vol.24, No.1, February 1958, pp.84-97, here p.88.
26. L.M. Gudoshnikov, "Development of the Organs of Local Government and Administration in the People's Republic of China", in JPRS OC-34 2/CSO DC-2118, October 21 st 1958, pp.1-18, here pp.8-9.

elaboration of administrative demarcation and further demonstrates the centrality of the CCP's strategy, whereby not only in terms of political development, but also in terms of economic development, a threefold classification is made in order to facilitate a progressive inter-relation of units of administrative organization, described as "intermediate", "advanced" and "backward".

Again, one can gain immediate dividends by reviewing the disposition of Shantung province in relation to the national pattern of administrative demarcation. In 1957, Shantung was again placed within the East China context, but this time to serve the creation of a complete industrial system in East China. It is perhaps surprising that the several "co-ordinated economic regions" (ta ching-chi hsieh-tso ch'ü) created in July 1957, namely Northeast China, North China, Northeast China, East China, Central and South China were fairly consistent with the demarcation of the six Greater Administrative Regions, created in 1949. In terms of the 1949 demarcation, the later administrative determination of a South China Co-ordinated Economic Region is not particularly anomalous, as in 1949-54, South China had already a certain measure of administrative integrity of its own. There was a sub-bureau of the CCPCC for South China, and there was also a South China branch of the CSMAC Economic and Financial Affairs Committee. Why was Shantung not returned to the North China Plain in 1957?

Each economic zone was demarcated so as to include relatively advanced industrial areas; for example, Liaoning acted as the industrial core for the Northeast, while Hopei stood in the same relation to North China. Shantung's inclusion in the East China Co-ordinated Region may have related to the need to bolster East China's industrial strength, and to provide the provinces of East China with another industrial core, or point of reference with which to inter-relate. The provinces of East China with the major exception of Kiangsu are not particularly well endowed with natural resources,

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27. See Liu Tsai-hsing, "Lun hsieh-tso ch'ü wan-ch'eng kung-yeh pen-hsi ti chien-li wen-t'i", (On problems of establishing complete industrial systems in the co-ordinated economic regions), Hsin chien-she, No.10, 1958, cited in Franz Schurmann's "China's New Economic Policy", in CQ, No.17, January/March 1964, p.73, fn.18.

hence Shantung was related to East China instead of North China, which already had a strong industrial core, particularly in Hopei. The concept of "key-point" was not only important in terms of the development of mass mobilization, but was central to the CCP's perception of national defence and economic development. A prominent Chinese Communist economist, Sun Ching-chih, discussed the new economic zoning in the following way:

"Not only does the determination of the seven joint regions provide great impetus toward realization of the general line, but it also contains a high degree of political foresight. Between the provinces within these joint regions, the advanced provinces lead the more backward ones with mutual support and drive to form a complete industrial system within each region as soon as possible. Particularly outstanding is the inclusion of Inner Mongolia in the North China region, Tibet in the Southwest region and Sinkiang into the Northwest region, to provide these three areas with economic development and support from the more densely populated provinces and rapidly change their picture of a backward economy."<sup>28</sup>

The last sentence in particular highlights the utopian visionary quality of the Great Leap Forward.

Within each region, there was eventually to be created a complete industrial system, defined in terms of the ability to produce steel and the means of production and also in terms of the availability of coal and the generation of electricity.<sup>29</sup> Since 1949, the Chinese leadership have been concerned with the irrational disposition of China's natural resources in relation to the areas of production and consumption. In the theme of self-reliance, Mao had hoped ultimately to find the solution to this problem, whereby raw materials and manufactured goods had to be shipped across China's vast territories.

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28. Sun in the prefaces of various of the several volumes, which his team of researchers prepared on the natural economy of China, was at pains to explain why his project had been based on a division of China into ten zones. He was careful to extol the "political foresight" of the Party in dividing China into seven zones. See Sun Ching-chih, Economic Geography of the East China Region, (JPRS 11438; CSO 5384), December 1961, preface, p.iv.
29. Liu Tsai-hsing, op.cit., p.46.

Again we might profit from the perspectives of military strategy. Self-reliance was conceived as a solution to the KMT's economic blockade of the North China border regions and the military offensive launched by the Japanese. Mao was only too well aware that the Japanese armies in China had lost due to over-extended supply lines and the disposition of Japanese troops along the length and breadth of China's major communications arteries. In fact, we should not be surprised to discover in the perspective, which sustains the current slogan, "dig tunnels deep, store grain everywhere and never seek hegemony", the sum of the CCP's experience in the North China border regions. Not only does this slogan illustrate a continuing perception of foreign affairs and national defence, which is predicated on an inward-looking military posture (China's defence policy is based on fighting on Chinese soil), but this slogan also reveals an approach to economic development, based on self-reliance — self-reliance in terms of China and the world, but also in terms of the various levels of political and economic organization within China itself.

Thus, the theme of self-reliance encompasses both internal and external dimensions. Firstly, the Chinese people are to achieve self-reliance in relation to the rest of the world. Secondly, the various levels of political and economic organization within China are to achieve a certain degree of self-reliance in relation to the fiscal and material resources available to the central government. The first of these two dimensions was not particularly explicit in the early year of "leaning to one side". Chou En-lai, in his September 16th 1956, report on the proposals for the second five year plan did, however, indicate that there were different opinions within the leadership as to the development of a completely self-reliant industrial system in China. Chou then charted a middle course between what he called "isolationist" and "parasitic" views. Chou En-lai took to task those who had argued that China could rely exclusively on her own efforts to build an independent industrial system, and in the following statement described a policy position, consistent with Mao's August exposition on t'i and yung:

"Another view, that we can close our doors and carry on construction on our own, is wrong too. Needless to say, the establishment of a comprehensive industrial system in our country requires assistance from the Soviet Union and the People's Democracies for a long time to come. At the same time, it is also necessary for us to develop and expand economic, technical and cultural exchange with other countries even when we have built up a socialist industrial state, it will still be inconceivable that we should close our doors and have nothing to ask from others."<sup>30</sup>

Chou, as the following comment illustrates, was equally critical of those who would too exclusively depend on international assistance:

"...yet a populous country like ours, which has rich resources and great demands, still needs to build its own comprehensive industrial system. This is because, in accordance with our internal requirements, we must quickly alter the long-term backwardness of our national economy; and in accordance with international requirements, the establishment of a powerful industry in our country can promote a common economic upsurge in the socialist countries and add to the forces in defence of world peace."<sup>31</sup>

As for the second of the two dimensions, a programme of administrative decentralization had been clearly worked out in 1951. Under the division of the labour, which was then established, Chou had hoped to conserve the strength of the centre in favour of key projects, sponsored by Russian credits, but had also hoped to capitalize on local initiative and self-reliance.

Of course both internal and external dimensions achieved their clearest expression with the advent of the Great Leap Forward. In his report to the second session of the Eighth Party Congress Liu Shao-ch'i emphasized that all of China's hsien, cities and market towns were to have their own industry.<sup>32</sup> In a well publicized visit to Tientsin in August 1958, Mao was especially concerned to ask the Governor of Hopei, Liu Tzu-hou, when the administrative

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30. Refer to Mao Tse-tung, "Talk to Music Workers", in Stuart R. Schram, (ed.), Mao Tse-tung Unrehearsed: Talks and Letters 1956-1971, pp.84-90, especially pp.85-86, for Mao's views on learning from foreign countries. Chou's position is outlined in "Report on the Proposals for the Second Five Year Plan for Development of the National Economy", in Supplement to People's China, No.21, November 1, 1956, p.10.

31. Chou En-lai, p.10.

32. Liu Tsai-hsing, op.cit., p.45.

regions and special districts would acquire their own industrial base. In conversation with the Mayor of Tientsin, Mao instructed:

"Localities should build up independent industrial systems. First, co-ordination zones, and then provinces in which the situation permits should establish their own different and relatively independent industrial systems."<sup>33</sup>

A great deal of the ensuing discussion relates to this theme of self-reliance, which is developed in terms of the substantive problems which arose in the attempt to co-ordinate the various levels of state administration. In Chapter Two, we have already noted that the efforts of the various border regions were loosely co-ordinated by the CCPCC, and it was in this context that inter-system relations were worked out, hence the significance accorded "unified leadership of the local Party Committees". In the second section of this chapter, we will want to consider what this emphasis on self-reliance means in terms of leadership defined either as "ling-tao" or "chih-tao".

Essentially, military perspectives played a rather significant role in the emergence of a strategy for economic development in China. At times such considerations loomed too large in the minds of the Chinese leaders. In 1956, Mao conceded in his remarks on the second of his "Ten Great Relations", concerning alternative weights to be assigned to coastal and interior industrial sites, that the industrial base in China's coastal provinces, in particular the area around Shanghai, had been too much neglected in the early 1950's due to an over-emphasis on the possibility of invasion. Mao specifically remarked:

"However, in recent years we have underestimated coastal industry and to some extent have not given great enough attention to its development. This must change.

In the past, fighting was going on in Korea and the international situation was tense; this could not but affect our attitude towards coastal industry".<sup>34</sup>

Mao, at the same time, demonstrated that his concern with the evenness of industrial development in China's various regions was linked with his view of national defence. Expanding on his second

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33. See JMJP, August 16, 1958, pp.1 & 2, and refer to SCMP, No.837, August 21, 1958, pp.2-3.

34. Official English version of "On the Ten Major Relationships" is available in Peking Review, No.1, January 1977, p.12.

relationship Mao observed:

"Without doubt, the greater part of new industry should be located in the interior so that industry may gradually become evenly distributed; moreover, this will help our preparations against war."<sup>35</sup>

Mao, thus, provides a good example of how an immediate military factor intervened to negate a long-established emphasis on the development of all positive economic factors.

This failure to assign proper weights to coastal and interior industries speaks volumes as to the concrete administrative problems involved in applying the principle of self-reliance across the board. Even while China's leaders talked of the need to create independent industrial systems in all parts of the country, they conceded the extreme unevenness in the geographical distribution of natural resources in China. In 1958, they focused at the level of the "co-ordinated economic region", for at this high level of organization, it was presumed there were sufficient resources to guarantee the creation of independent industrial systems.

In 1959, the 1957-58 emphasis on self-reliance was qualified with an emphasis on "taking the whole country as a single chess board"<sup>3</sup> which in real terms meant the introduction of a closely supervised system of priorities. In 1959, it was claimed that the 1958 emphasis on self-reliance at all levels had led to "dispersionism". A JMJP editorial of February 24th 1959, noted:

"...We should not view the practice of developing the enthusiasm of all quarters in the light of the practices of laissez-faire dispersionism and organizational egoism which are alien to the practices of centralized leadership and overall arrangements; nor, on the other hand, should we view the practice of taking the whole country as a co-ordinated chess game merely as a practice of letting the central authorities take full charge of everything through the issuance of directives and orders."<sup>37</sup>

35. Peking Review, No.1, January 1977, p.12.

36. See K'o Ch'ing-shih, "Lun 'ch'uan-kuo i-pan ch'i'" (On "the whole country is a single chess board") in Hung-ch'i, Vol.VI, 1959, pp.9-13.

37. See translation in SCMP, No.1970, March 11th 1959, p.2.

The editorial claimed that it was impossible, given the uneven distribution of natural resources, to distribute major projects evenly among the various provinces, cities and regions.<sup>38</sup>

Ch'en Yün joined the debate, siding with those who argued that evenness of regional economic development was not as important as national economic construction. He specifically concluded:

"...the nature and speed of development of the industrial system in the various sections of the country will not be uniform; modern industry is an extraordinarily complex form of economic co-operation."<sup>39</sup>

Ch'en expanded on his point in such a way as to discredit the concept of the "co-ordinated economic region", when he argued:

"The production of a complex variety of things such as these, requiring a high degree of co-ordination and co-operation, is not possible in any one enterprise, or even in one province or co-operative area....To try at this time to plan the establishment in one province or autonomous region of a complete, fully equipped, and competently staffed independent industrial system is not realistic."<sup>40</sup>

Obviously, Ch'en when he used the concept "the whole country as a single chess board", envisioned a national economy, which was integrated in terms of inter-dependent regions, hence he moved away from a vision of the economy, which had been predicated on the military perspectives of the Yen'an period, which highlighted the co-ordination of self-reliant localities rather than inter-dependent localities.

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38. SCMP, No.1970, p.4.

39. Ch'en Yün, "Some Immediate Problems Concerning Capital Construction Operations", Hung-ch'i, No.5, March 17th 1959, pp.1-16, translated in JPRS: 708-D/CSO: 2794-D. Here p.4.

40. Ch'en Yün, op.cit., p.4.



What is extraordinary, however, is that the idea of supra-provincial demarcation survived the abolition of the GAR governments and the early pattern of national political integration. The close approximation between the demarcation of the GARs and the demarcation of the later "co-ordinated economic regions" might suggest that these GARs of 1949-54 were more than simply temporary expedients, designed to facilitate the conditions of integration, which specifically characterized 1949 China. While it is obvious that neither of these two demarcations corresponded particularly well with the natural economy of China, one might argue that economic rationality as defined by the CCP reflects a preoccupation with the methodology of the "key-point" and the inter-relation of advanced, intermediate and backward units of organization. This methodology seems to have transcended the formal line between what is economic and what is political.

In 1949, "old liberated regions" within the jurisdiction of the MACs provided reference points in terms of model experience and personnel for the "newly liberated regions". In economic terms in 1958, the Chinese leadership viewed the core areas of industrial development such as Chinan in Shantung, as points of reference for more industrially backward areas. In terms of the "co-ordinated economic region", Mao seems to have taken his Yen-an concept of China and the world one step further, and elevated his theme of self-reliance to the plateau of supraprovincial organization. Herein lies one of the many paradoxes of Mao's thinking, which no doubt will continue to fascinate observers of modern China. In his writings, Mao demonstrates a preoccupation with the duality of democracy and centralization (that he attached more weight to the latter half of this equation will become evident in the following discussion of the devolution of administrative responsibility within a unitary state structure), but in terms of his theme of self-reliance, Mao conceived within his framework of leadership, based on formulae such as "centralized leadership and decentralized management", a strategy of economic development which emphasizes the creation of independent industry at all levels of administrative organization. One is in

the end left with a question mark as to whether a strategy inspired by military perspectives such as self-reliance, is appropriate to the natural economic conditions of China and to the stage which China has reached in terms of national political and economic integration.

## III

ii) Constitutional Structure and Administrative Theory:  
The Devolution of Administrative Responsibility in  
a Unitary State

In formal constitutional terms, the People's Republic of China is a unitary state, and this observation has been rendered explicit in various constitutional arrangements from the Common Programme and the Organic Law of the Central People's Government of the People's Republic of China of 1949 to the present constitution of January 1975. More specifically, "state legislative power" is conceived in the Chinese constitutional context as indivisible.

The Third Article of Chapter One of the 1954 constitution notes that all power in the People's Republic of China belongs to the people, who exercise their power through the National People's Congress and the various local people's congresses;<sup>1</sup> however, Article Twenty-two of Chapter Two asserts that the National People's Congress is the only organ to exercise "state legislative power" (kuo-chia li-fa ch'üan).<sup>2</sup>

This last construction was not specifically adopted in the January 19th 1975, constitution, but Article Four of the "General Principles" affirms that the People's Republic of China is a "unitary

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1. Chung-hua jen-min kung-ho kuo hsien-fa, Jen-min ch'u pan she, Peking, 1954, p.6.

2. Ibid., p.10.

multi-national state".<sup>3</sup> More to the point, it should be noted that under the wording of the 1975 constitution the National People's Congress has the power to "enact laws" (chih-ting fa-lü),<sup>4</sup> whereas the local people's congresses are charged with the "guaranteeing of the laws" (pao-cheng fa-lü) as well as the "implementation of the laws" (fa-ling ti chih-hsing).<sup>5</sup>

These various constitutional arrangements demonstrate a consistent perspective as to the distribution of constitutional powers. Mao Tse-tung was perhaps most explicit on the question of the distribution of constitutional powers in his remarks to Party cadres at the Nanning Conference of January 11th 1958. He then elaborated on the division of constitutional power in terms of the relation of Party and state:

"In recent years we coined a slogan against dispersionism: great powers concentrated [at the centre] small powers dispersed; the Party Committees make decisions and the various localities carry them out; the carrying out of decisions does involve the exercise of power, but this cannot depart from principle; the work of checking-up [chien-ch'a] is the responsibility of the Party Committees.

There are those in the judicial organs who would rather that the Party and state were separated. Can the state and Party be separated any more than a family can be divided in two? This is no good. Initially, we do not divide power and only later do we make a division; otherwise, if small powers were grasped [at any particular local level], how could we divide the Forty Articles? Twenty for the centre and twenty for [local level] industrial and agricultural [organization]? This would not be satisfactory. We cannot have the centre conduct business under one constitution and some other administration conduct business under another constitution."<sup>6</sup>

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3. Text in Chung-hua jen-min kung-ho kuo ti-szu ch'u ch'üan-kuo jen-min tai-piao ta-hui ti-i tz'u hui-i chien hui-pien (Collection of documents of the first session of the Fourth National People's Congress of the People's Republic of China), pp.31-42.
  4. Article Seventeen, Chapter Two, ibid., p.38.
  5. Article Twenty-three, Chapter Three, ibid., p.40.
  6. Mao Tse-tung, Mao Tse-tung ssu-hsiang wan sui, 1969, p.148.  
I am particularly grateful to Professor Stuart Schram for pointing out the importance of this passage.

One can see in Mao's perception of the importance of the indivisibility of constitutional power, the reason for his repudiation in 1967 of the Shanghai People's Commune.<sup>7</sup>

Parenthetically, we might note the implications, which the above passage has in terms of the relation of Party to state, were rendered explicit in the 1975 constitution, in which it is stated: "The Communist Party of China is the core of the leadership of the whole Chinese people. The working class exercises leadership over the state through its vanguard, the Communist Party of China."<sup>8</sup>

In the case of a "federal" state, a division of powers between central and regional governments is often rendered explicit in the state constitution, and this arrangement is normally qualified by some general clause, insuring the central government some degree of "residual" power, consistent with the preservation of the nation-state. The CCP, however, did not adopt such a formula to describe the "form of government" (cheng-t'i) in China.

The Party's thinking of "form of government" and administrative theory ultimately turns upon an understanding of the organization of command structure, explicit in the Leninist concept, democratic centralism. There seems to be little need to comment on the enormous appeal such a concept had for the Chinese mind, keenly sensitive to metaphorical imagery, depicting China as a carved melon and the Chinese people as a sheaf of loose sand, and at the same time very conscious of the negative centrifugal tendencies, characteristic of warlord and KMT political processes.

One must also take cognizance of the emphasis on democracy in the course of military struggle, in particular underlining the importance of united front in determining organizational emphases. It is the intention here to review the dialectical inter-relation of these two competing emphases, democracy and centralism, firstly in terms of constitutional structure and secondly in terms of administrative theory.

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7. See "Talks at Three Meetings with Comrades Chang Ch'un-ch'iao and Yao Wen-yuan" in Stuart R. Schram (ed.) Mao Tse-tung Unrehearsed, p.278. Mao was concerned as to what implications the Shanghai People's Commune would have in terms of the international diplomatic recognition of China.
  8. Article Two, Chapter One, op.cit., p.13.

"Democratic centralism" was originally used in relation to Party organization; however, the same concept was later applied to state organization. Mao discussed this concept in relation to the "form of government" in "On New Democracy". He wanted to exploit the theme of democracy in order to establish a favourable comparison between the CCP and KMT and thus establish the legitimacy of the North China border region governments. Mao spoke on democratic centralism in the following terms:

"But if there is to be a proper representation for each revolutionary class according to its status in the state, a proper expression of the people's will, a proper direction for revolutionary struggles and a proper manifestation of the spirit of New Democracy, then a system of really universal and equal suffrage, irrespective of sex, creed, property or education must be introduced. Such is the system of democratic centralism. Only a government based on democratic centralism can fully express the will of all the revolutionary people and fight the enemies of revolution most effectively."<sup>9</sup>

The second article of the first chapter of the Organic Regulations of Central People's Government of the People's Republic of China announced: "The government of the People's Republic of China is a government of the people's congress system, based on the principle of democratic centralism".<sup>10</sup> The concept, however, survived New Democracy, and was restated in the second article of the first chapter of the 1954 constitution.

In administrative terms, "democratic centralism" sustained an emphasis on "centralized leadership", yet it also pointed to the importance of the healthy exchange of ideas and criticism between systems and levels of state administration.

In terms of China's historical development, "democratic centralism" was the CCP's answer to the political fragmentation of the warlord years, but at the same time the concept seemed to afford

9. Mao Tse-tung "On New Democracy", SW, Vol. II, p.352.

10. See text in Jen-min min-chu cheng-ch'üan chien-she kung-tso, (The work of establishing the people's democratic state power), Peking, 1953, p.94.

a solution to the problems of "administrative distance" first in the North China border regions, and later in relation to China as a whole. The latter half of this formula worked against "regionalism" while the former half encouraged the exploitation of local creativity and initiative in the national interest.

The problems of "administrative distance" will be treated in more depth in Chapters Four and Five; however, it might be briefly noted that the term relates not only to the tremendous physical distances separating Peking from the various localities of China, but also relates to basic problems of government communication. A study of "administrative distance" entails a review of governmental techniques, used to achieve a centralized uniformity of policy implementation at the various levels of political organization in the many regions of China.

We will want to focus on several inter-related problems of government communication. How, for example, was the centre to achieve a uniform implementation of policy and maintain discipline and a system of priorities at the local levels, without seriously compromising the exercise of local creativity and initiative? How was the CCP leadership to insure a bottom-to-top, top-to-bottom flow of information, necessary to the formulation of policy? We can, for example, explore the conference techniques used in the course of the government's attempts to restore and develop the urban-rural interflow of trade. One might also note that one of the most difficult problems the centre faced in terms of the early attempts at the planning of capital construction, was the building-up of an adequate storehouse of information, and here again one must refer to the significance of inter-level conferences. The problem of "administrative distances" related not only to how policy was formulated, but how an accurate understanding of policy was to be achieved at all levels of state administration. The system of "dual rule" with the high premium it pays in terms of the co-ordination of systems at the same level, as well as between levels, was particularly appropriate to the problems of "administrative distance" in the early 1950's, although at times it did pose difficulties in terms of the reconciliation of conflicting administrative jurisdiction.

We might begin this discussion of the CCP's approach to government administration by placing the words "centralization" and "decentralization" in the political context of China in 1949. The CCP in the main had won on the battlefield, but in terms of the creation of a centralized government structure, it was not simply a matter of taking possession of the enemy's fort and running a new flag up the flag-pole. There was no national government structure to take over. The CCP had yet to build a truly national state administration in Peking. A national economy had yet to be created. Even had the leaders of the CCP wanted to (and there is reason to doubt that their ideological commitment to and their interpretations of themes of united front and democratic centralism would have predisposed them in such a direction), they did not have the resources to build a monolithic centralized state structure. Provincial administration had been badly shattered. There was an acute shortage of personnel who were conversant with the CCP's organizational techniques and policy emphases.

To return briefly to a perspective introduced earlier, in terms of the complications of the military situation in 1938, Mao had argued the necessity of "decentralized command in campaigns". Mao had then argued:

"The more extensive the area, the more complex the situation and the greater the distance between the higher and lower levels, the more advisable it becomes to allow greater independence to the lower levels in their actual operations...."<sup>11</sup>

In 1938, the CCP related to the complexities of the military situation in a very flexible fashion, insuring on the one hand overall direction of military operations, yet on the other preserving the initiative of the local commanders to meet the ever changing military conditions at the local level. This tact was repeated in

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11. Mao Tse-tung, "Problems of Strategy in Guerilla War Against Japan", SW, Vol.II, p.115.



the sphere of state administration in the course of the Yen'an experience. Indeed, an explanation for the later exercise of power at the GAR level must be seen in these same terms. The problems, explicit in the 1938 situation, were nowhere near as complex as those problems with which the CCP had to contend, when it suddenly became responsible for the implementation of policy throughout China in 1949.

One might well assert that circumstances almost compelled a certain course of action in 1949 and 1950, and we shall see that an early attempt in 1950 to achieve a rigid vertical centralization in certain spheres of government administration failed. That the possibilities for centralization within a vertical structure were limited is evident in the following examples of the development of administrative structure.

George Ginsburgs and Arthur Stahnke researched the early development of the People's Procuratorate and concluded that the system's general regulations, which had first been drafted in November 1950, had to be revised as they were found to be premature and unworkable in the context of prevailing political conditions, and hence "dual subordination" (Franz Schurmann's "dual role") was applied in the functioning of the regional offices of the People's Procuratorate until September 1954.<sup>12</sup>

The prevailing pattern of unevenness in political integration and the structural weakness of the Central People's Government, necessitated the involvement of regional governments at the GAR level in government activity, which under any normal constitutional set-up would have been placed firmly under the exclusive jurisdiction of the central government, hence a national customs conference, which was convened in November 1950 with the object of further centralizing custom posts throughout China, found it necessary to concede regional governments the responsibility for the

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12. George Ginsburgs and Arthur Stahnke, "The Genesis of the People's Procuratorate in Communist China, 1949-51", CQ, No.20, October-December 1964, pp.1-37, here p.12.

supervision of custom houses within their respective regions.<sup>13</sup> The MACs also became involved in the administering of the withdrawal of foreign charity and education organizations from the Chinese scene during the Resist US Aid-Korea movement, and this activity clearly involved the regional governments in foreign affairs.

Prevailing conditions necessitated the existence of an intermediate level of government, which could reduce the "administrative distance" between Peking and the provinces. The same conditions affected the development of united front and popular organization. In the case of the Chinese People's Relief Association, which was a popular organization, designed to assist work in natural disaster areas, branches were set up in the various provinces and municipalities in East China, but the Peking headquarters found it difficult to exercise direct leadership over these branches, and, consequently, an East China Office had to be established to supervise the several branches operating in East China.<sup>14</sup>

In the context of weak provincial administration, the centre had to rely on the GAR level to secure an adequate degree of centralization over local levels of government. In relation to the problem of "administrative distance", the CCP adopted a very rational, perhaps ingenious, course of action,<sup>15</sup> whereby immediate questions of inflation, social disorder, economic dislocation and disrupted communications could be dealt with at an intermediate point in the national administrative structure. A great deal of government activity was then conducted at the GAR level at the same time as the building-up of the central ministries was taking place in Peking.

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13. "Report on the National Customs Conference, CB, No.38, December 8th 1950, p.3.
  14. See Kuei Ting-fang, "Report on Relief Work", CB, No.160, February 20th 1952, p.24 (from Shanghai, CFJP, December 1st 1951).
  15. Robert McColl in his analysis takes a contrary review, describing this new level of government as "naive". See R. McColl, "Development of Supra-Provincial Administrative Regions in Communist China 1949-1960", Pacific Viewpoint, Vol.4, No.1, March 1963, p.61.

The GAR regional governments oversaw the integration of provincial administration. Taking into consideration the limited resources of the centre and the startling unevenness of the pattern of national political integration hitherto, one might suggest that circumstances dictated a certain course of action, in this case a centralization, achieved within a "dual" institutional framework, but one must also take into consideration the CCP's past experience, which undoubtedly predisposed the leadership to approach the problem of administrative distance from a vantage point, consistent with the administrative principle "centralized leadership and decentralized management", as well as with the structural emphasis on "dual rule".

There will be opportunity later in this discussion to review the evolution of the state administrative structure over the period 1949 to 1954 in more detail; however, one must begin with an understanding of the provisional constitutional arrangements as they were set out in October to December 1949.

One can immediately clear away any misunderstandings as to the nature of the Military and Administrative Committee (chün-cheng wei-yüan hui) which was set up in four of the GARs, Central-South, East China, Northwest and Southwest China, by referring to the constitutional documents of late 1949. The Military and Administrative Committee, unlike the Military Control Commission, which was directly responsible to regional military headquarters, was essentially a part of state administration.

The constitutional documents, authorizing the creation of both GAR government councils and the MACs, originated with the Central People's Government Council, (Chung-yang cheng-fu wei-yüan hui), (CPGC). The CPGC, the highest state council in the land, was a very important body, especially in terms of what has already been said in relation to the "form of government".<sup>16</sup>

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16. Donald Keesing, one of the very few to have written on the early government structure of the People's Republic, has suggested that the CPGC was merely a "showplace" for the parading of united front solidarity behind CCP policies; however, this observation belies the great constitutional significance of this council and underestimates the importance of united front structure in the newly liberated areas. See D. Keesing, "Use of Top-level Personnel by the Chinese Communist Government", Centre for International Studies, MIT, 1954, p.3.

One immediately notes that there were no sections either in the Common Programme, or in the Organic Laws of the Central People's Government of the People's Republic of China, (OLCPG), which detailed what constitutional powers belonged to what level, or as to what powers might be shared out between central and regional governments. Powers, exercised by the local levels of government were not enshrined in either of these two constitutional significant documents, as had been the case in the 1912 Provisional Constitution of the Republic of China, Articles 107 through 111 of which detailed the constitutional prerogatives of local governments

According to Article Sixteen of the Common Programme, the central government would define the jurisdiction of local people's governments over specific aspects of governmental activity, and these aspects would be established by the CPGC in conformity with the "requirements" of both "national unity and local expediency".<sup>17</sup> The CPGC had complete discretion to fill in the various blank spaces of the Common Programme and the OLCPG. The sixty-three chairmen, vice-chairmen and members of the CPGC possessed a constitutional carte blanche to determine the structure of state administration. Article Twelve of the ORCPG allowed the CPGC to enact its own organization regulations.<sup>18</sup> Article Twenty-two, covering the organization of the Government Administration Council, (Cheng-wu yüan), (GAC) empowered the CPGC to create and dismantle government departments at will. Under this particular construction, the GAR Administrative Committees were later abolished. Article Thirty-one, which follows, further enhanced the discretionary powers of the CPGC:

17. See English text in Theodore Chen, The Chinese Communist Regime, p.38.

18. Chinese texts for the important documents of the Chinese People's Political Consultative Conference, namely, the Organic Law of the Central People's Government of the People's Republic of China, (OLCPG), the Common Programme and the Organic Law of the Chinese People's Political Consultative Conference, can be found in the special supplementary volume of the Jen-min shou-ts'e, (The people's handbook) for the year 1949, or in Chung-hua jen-min kung-ho kuo k'ai-kuo wen-hsien, (Collected documents on the founding of the People's Republic of China). The former is henceforth cited as JMST, while the latter will be cited as KKWH. English translation are available in T.H.E. Chen, The Chinese Communist Regime.

"The right of amendment of the Organic Law of the Central People's Government belongs to the Plenary Session of the Chinese People's Political Consultative Conference: when the latter is not in session, it belongs to the Central People's Government Council. The right of interpretation of this Organic Law belongs to the Central People's Government Council."<sup>19</sup>

The Greater Administrative Regions were specifically mentioned in Section Nine of Article Seven of the OLCPG, which provided the CPGC with the power to appoint upon the recommendation of the GAC the chairmen, vice-chairmen and chief administrative personnel of the regional level. The responsibility for the actual supervision and direction of local people's governments was entrusted to the GAC.

Significantly, Tung Pi-wu in his report concerning the drafting of the OLCPG stressed that the characters meaning "to approve the appointment or dismissal of" (p'i-chun jen-mien) were especially incorporated into the text to stress the fact that before such personnel were presented to the CPGC for final approval, they had to be elected at the regional or provincial level.<sup>20</sup> It is important to note that in 1949 Tung Pi-wu anticipated that regional people's congresses were to be convened at a future date and that these congresses would elect regional government councils.

What specific details there were concerning the functions and powers of the regional governments were outlined in the Organic Regulations of the Greater Administrative Region People's Government Councils (ORGAR), which were passed on December 16th 1949, in the eleventh session of the GAR. The actual process, whereby the specific organic regulations of the various administrative levels took on the force of law, represents an interesting delegation of authority. The CPGC enacted its own organic regulations and approved the regulations of lower levels of government administration, but the lower levels drew up their own regulations in the first instance. The procedure, whereby regulations were drafted and subsequently approved, is clarified in the following article of the ORGAR:

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19. T.H.E. Chen, p.51.

20. Relevant excerpts from Tung Pi-wu's report can be found in KKWH, p.244.

"The various People's Government Councils of the Greater Administrative Regions must within the scope of these regulations and in accordance with the concrete conditions of each particular region draw up draft articles of organization, and after these draft articles have been submitted for approval to the Government Administration Council and subsequent to a trial period of implementation, they will then be submitted to the Central People's Government Council for ratification."<sup>21</sup>

One notes that the organic regulations of the various North China border region assemblies also placed a great deal of emphasis on the adaptation of general principles to concrete local conditions.

The provincial people's government councils were to follow a similar procedure. Section Three of Article Four of the Organic Regulations of the Provincial People's Government Councils (ORPPG) charged the provincial governments with the responsibility for drafting their own organic regulations. These draft regulations were then submitted to the GAR governments, which then forwarded them to the GAC.<sup>22</sup>

Article One of the regional government regulations further stipulated that during the initial phase of liberation, it might be necessary in order to facilitate military control and the establishment of the new revolutionary order to create Military and Administrative Committees and that these councils would provisionally exercise the same powers and responsibilities as people's government councils.

As it happened, there was only one functioning people's government at the GAR level in the early fifties, namely that of the northeast. The North China Central Control Region initially came under the jurisdiction of the CPG Ministry of North China Affairs while Military and Administrative Committees were established in Northwest, Southwest, East and Central-South China. These four MACs clearly came under the jurisdiction of the GAC. It would be incorrect to assume that the GAR governments were not involved in military operations;

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21. For the ORGAR refer to "Ta hsing-cheng ch'ü jen-min cheng-fu wai-yüan hui tsu-chih t'ung-tse", in Jen-min nien-chien (People's Almanac), 1950, Section 4, p.51, Article One.
  22. The Organic Regulations of the Provincial People's Governments were passed on January 6th 1950 at the 14th meeting of the GAC. See "Sheng jen-min cheng-fu tsu-chih t'ung-tse", in Chung-yang jen-min cheng-fu fa-ling hui-pien, (Compendium of the laws and regulations of the Central People's Government), 1949-1950, p.212. Henceforth cited FLHP.

they were particularly responsible for the conclusion of military operations, the creation of a new revolutionary order and the establishment of the people's democratic state power. It would be equally incorrect that the MACs were administrative extensions of the People's Revolutionary Military Council.

We have already noted in Chapter Two that the CCP in 1946 argued in favour of democracy at the regional level before national unification became an accomplished fact, thus the CCP did not accept the KMT's arguments in favour of Sun's three stages of political development. One must, therefore, define the nature of the MAC in such terms as would emphasize the inter-relation between the establishment of people's democratic state power and military control.

Liu Shao-ch'i was quite explicit on this very point when he addressed the third session of the Peking All-Circles People's Representative Conference in March, 1951:

"Certain people are of the opinion that it is neither desirable nor possible to realize democracy when we have to carry out military control or that it is not possible to realize democracy when the country is still under a state of military exigency. They have thus considered military control by the People's Liberation Army as diametrically opposed and inimical to the implementation and development of the people's democratic rule. This view is however completely wrong. It is important at the moment, a state of war still exists in China, fighting is actually going on in various parts of the country, and the entire nation is still under a state of military control, yet at the same time, we have also been successfully promoting democracy throughout the nation by the regular convocation of all levels of people's representative conferences, and carrying out the election of all levels of people's representative conferences, so as to have all national and local policies to be discussed and approved by the people and the people's representative conferences. As a matter of fact, fighting and military control have not kept the people from the realization of democracy, while the realization of democracy by the people has not in fact obstructed the fighting and implementation of military control. Quite on the contrary, these two phases of work have always complemented and strengthened each other." 23.

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23. Liu's speech is translated into English in SCMP, No.84, March 15-17 1951, (NCNA, March 12 1951). This excerpt is found on pp.46-47.

The question naturally arises as to whether or not there was any indication that the new regional level of administration was viewed as transitional, and if this was the case, was there a schedule for its termination. Quite clearly the organic regulations envisaged the end of the initial phase of military control, but the regional level was meant to outlive the winding up of military operations. Article Two of the ORGAR is particularly relevant to a discussion of the intention of the CCP leadership in 1949. the Article reads as follows:

"When conditions permit, All-Circles People's Representative Conferences of the various Greater Administrative Regions must be convened, and these conferences will provisionally exercise the functions and powers of People's Representative Congresses and will establish Greater Administrative People's Governments. In those Greater Administrative Regions, where military operations have ceased, where land reform has been thoroughly carried out and where all-circles people's representatives have been fully organized, general elections will be held and Greater Administrative People's Representative Congresses will subsequently be convened. These Congresses shall formally elect the People's Government Councils of the Greater Administrative Regions. Once People's Government Councils of the Greater Administrative Regions have been established, the Military and Administrative Committees will be formally abolished."<sup>24</sup>

The foregoing statement would seem to justify the conclusion that in 1949 the CCP leadership planned to include the regional administrative level in the building of a National People's Congress and, therefore, the regional level was to be a more or less permanent feature of government administration in the period of new democracy.

However, the organic regulations for the various regional all-circles representative conferences were never promulgated separately. Instead the final article of the Organic Regulations of the Provincial All-Circles People's Representative Conferences was drafted to read: "These regulations will apply equally to the

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24. Article Two, ORGAR, JMNC, No.4, p.51.



All-Circles People's Representative Conferences of the Greater Administrative Regions."<sup>25</sup> Furthermore, the Organic Law of the Chinese People's Political Consultative Conference was not precise in defining what was meant by "local committees" of the CPPCC. Article Eighteen of the Law reads:

"Local committees of the Chinese People's Political Consultative Conference may in accordance with the resolutions of the National Committee of the Chinese People's Political Consultative Conference, be set up in major cities, important areas and provincial capitals as organs for consultation and ensuring the implementation of resolutions by the democratic parties and groups and people's organizations in these places."<sup>25</sup>

The GAR administrative level was more than simply a processing point of governmental correspondence, which was being passed up and down the administrative ladder. In a crucial characterization of the nature of the GAR people's government council, Article Three of the ORGAR refers to it as "the representative organ through which the Government Administrative Council of the Central People's Government Council exercises leadership over local governmental work", but the same article also refers to this council as "the highest local organ of state power" (kao-i-chi ti ti-fang cheng-ch'uan chi-kuan).<sup>26</sup> The double administrative personality of the GAR, as explicitly sanctioned in the constitutional documents of 1949, was consistent with the Yenian emphasis on "dual rule" and democratic centralism in state administration.

While the 1949 documentation failed to enumerate or define the responsibilities of local government with any degree of precision, the commitment to "local expediency" in state administration was rendered quite explicit. Article Sixteen of the Common Programme underlined the importance of both "national unity" and "local expediency" in the following way:

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25. See English translation of this Organic Law in the China Weekly Review, October 22 1949, pp.123-124. Chinese text in the special supplementary volume of JMST, 1949, pp.1-7. The wording "important areas" (chung-yao ti-ch'ü) is ambiguous; it is not clear whether such areas include the GAR.

26. JMNC, Section 4, p.51.

"The jurisdiction of the Central People's Government and the local people's governments shall be defined according to the nature of the various matters involved, and shall be prescribed by the decrees of the Central People's Government Council so as to satisfy the requirements of both national unity and local expediency."<sup>27</sup>

Article Thirty-three promised more precise definitions of local government powers at a later date. The last sentence of the following translation of this article reiterated the concern for the free play of local creativity and initiative:

"The Central People's Government will at an early date draw up an overall plan for the various ministries concerned with the restoration and development of the national public and private economies. This plan will define the parameters of the division and co-ordination of labour and in unified fashion will co-ordinate the inter-relating of the various economic departments of the centre and the localities. The various central economic departments and the various local economic departments shall under the centralized leadership of the Central People's Government give free play to their own creativity and initiative."<sup>28</sup>

The constitutional and organic regulations of late 1949 clearly demonstrate a commitment to "dual rule". At each level of administration, there was joint governance, and the building of state power at any local level was under the supervision of more than one higher level of administration. Building at the provincial level, for example, was supervised generally by the GAC and more closely by the GAR governments. The involvement of the latter insured a more immediate supervision and a reduction of the administrative distance between centre and provinces.

It has been suggested that the constitutional documentation of late 1949 lacked precision as to the spheres of authority and prerogatives of different levels of government, and that this lack of precision is related to the fact that unlimited constitutional power was reserved to the centre to determine future state administrative reorganization. Obviously, in the absence of precise

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27. T.H.E. Chen, p.38.

28. JMST, 1950, Section3, p.10.

definitions, the notion of joint governance becomes especially problematic in terms of administrative realities.

A distinction does seem to have been made between "leadership" (ling-tao) and "guidance" (chih-tao); for example, the ORGAR relate "leadership" and "guidance" in the following article which covers the relation between the army and state at the regional level: "The military organs of each Greater Administrative Region are under the orders of the People's Revolutionary Military Council and are to comply with the leadership of the People's Revolutionary Military Council and the guidance of the People's Government Council of the Greater Administrative Regions".<sup>29</sup>

Similarly, the principle of joint governance seems to apply in the following case:

"As for schools, hospitals, libraries, museums and cultural enterprises of national significance, which are to be transferred to central management, they will all be under the direct leadership of the Central People's Government and, moreover, they will comply with the directives of the People's Government Councils of the Greater Administrative Regions."<sup>30</sup>

One might well ask how can the same organ assimilate instructions from two different sources? What happens if the instructions from two different sources are inconsistent? The dichotomy of "leadership" and "guidance" does suggest that the event of such inconsistency, the agency, which possesses "leadership", prevails, and this is consistent with "democratic centralism". "Leadership" implies an ability to determine principles as opposed to the definition of specific administrative regulations. Often "ling-tao" as opposed to "chih-tao" resides in committees, which co-ordinate systems, while individual departments only exercise "chih-tao". One must, however, note that while "legislative power" was perceived as indivisible, "ling-tao" was exclusive neither to the central government, nor to the Party's Central Committee. A Military and

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29. Article Eight, ORGAR, JMNA, Section 4, p.53.

30. Article Seven, Section Three, ORGAR, JMNC, Section 4, p.53.

Administrative Committee, for example, possessed "ling-tao" in relation to the departments under its committee structure as well as in relation to lower local levels of government organization.<sup>31</sup>

Analysis is complicated by the fact that even under the same basic constitutional construction, levels of administration inter-related differently in specific temporal and spatial contexts, hence a pattern of centralization, attempted within one departmental complex, need not necessarily reflect the pattern, achieved in another department.

Victor Li has studied the pattern of state administration in relation to customs and foreign trade. According to his analysis, there were variations on the basic formula of "dual leadership". He concluded that generally the upper level tended to "lead" (ling-tao) while the regional governments usually "guided, supervised, and assisted" (chih-tao, chien-tu, ho hsieh-chu) the work of local units.<sup>32</sup> Li suggests that "leadership" by the upper level entailed the fixing of the financial plan and business plan of the lower level,<sup>33</sup> but also notes that the regional government in some cases "led" the political and educational work of local units. This latter point should be placed in the context of the spring 1951 decentralization, which resulted in the increased responsibilities of regional government departments and Party bureaux in relation to state enterprise.

Article Five of the ORGAR was to a degree more precise as to the question of how various levels of state administration would inter-relate. This article bound the regional governments to

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31. Refer to Article Four, Section Seven of the ORGAR.

32. See Victor Li, "State Control of Foreign Trade, 1949-1954", unpublished paper, presented to a conference on legal aspects of foreign trade of the People's Republic of China. The conference was held under the auspices of the Contemporary China Institute, London, September 13-17 1971, p.29.

33. Ibid., p.30.

submit reports to the GAC on any important matter which arose within their jurisdiction, but these reports were to be submitted only after action had already been taken at the GAR level. Provision was made in several sections for exceptional circumstances. In matters of national significance, the regional governments had first to seek the approval of the GAR before proceeding. It was not made clear as to how to draw the line between national and regional significance. Presumably, the CPGC would draw the line when necessary. The same article outlined the different channels of communication. There was to be up-down communication between central-level ministries, committees, etc., and their counterparts at the regional level relating to specific matters, which were already covered by fixed government policy. But in matters of a general nature correspondence and directives would be passed to the government councils of the different levels for examination. The same article provided for direct communication between the central and provincial governments in order to deal with "special problems", although the centre was to keep the regional government informed in such cases.

As might be construed from the discussion above, there was a fairly close structural resemblance between central and regional administrative organization. Article Seven of the ORGAR allowed the regional government councils to establish administrative agencies in accordance with the needs of their work and also outlined in principle the various types of agency which were to be established.

The CPG committees of political and legal affairs, economic and financial affairs, cultural and educational affairs and people's supervision were duplicated at the regional level. The regional departments within these general systems for the most part corresponded to the central ministries, although, depending on the importance of the matters handled by the different agencies, the regional authorities had the option of establishing a lower level administrative unit, designated as a "bureau" (chū) as opposed to a department (pu). Furthermore, from region to region there were

variations in the number and types of departments and bureaux due to the different problems faced by the various regional governments.

If we briefly compare the organization of the NWMAC with that of the ECMAC, we would note that the former had a Department of Animal Husbandry, but lacked Bureaux of Planning and Co-operative Enterprises, while the ECMAC possessed the latter two bureaux and in addition had a Bureau of Fisheries, which was one bureau not included in the organization of the NWMAC.<sup>34</sup>

It should be stressed that regional organization had to be approved by the CPG; for example, on February 17th 1950, the GAR in its twentieth meeting passed a list of appointments to the ECMAC and at the same time amended and passed the organic regulations of the ECMAC.<sup>35</sup> Similarly on May 6th of the same year, the organic regulations of the North-east People's Government were passed at the thirty-first meeting of the GAC.<sup>36</sup>

Although a great deal of administrative discretion was allowed to accumulate at the regional level during these early years of the Communist regime, the power of appointment and dismissal was firmly lodged with the members of the CPGC and the GAC. Prior to the passing of the organic regulations of the various levels of government administration, the GAC, during its eighth meeting of November 28th 1949, passed the "Provisional Procedures for the Appointment and Discharge of Personnel", (Chung-yang jen-min cheng-fu cheng-wu yüan kuan-yü jen-mien kung-tso jen-yüan ti tsan-hsing pan-fa). The GAR under these procedures could recommend to the CPGC for appointment or dismissal the following first grade officials of the regional governments, namely, the chairmen, vice-chairmen,

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34. Refer to "Regional Organization in China", C.B., No.37, December 7th 1950, for a breakdown of each regional administration together with a listing of responsible personnel at that level.  
 35. JMJP, February 17th 1950, p.4.  
 36. JMJP, May 6th 1950, p.1.

secretaries-general, assistant secretaries-general, members of government council, department heads and assistant department heads, as well as the mayors and deputy-mayors of cities, which came under regional jurisdiction. On its own initiative and authority the GAR was empowered to appoint or discharge the leading personnel of bureaux, (chū), offices (t'ing) and sections (ch'u) of the regional, provincial and municipal governments.

It still remains to define more closely the administrative relationship between the regional and provincial governments. The third article of the ORPPG specified that provincial government was to be under the direct leadership of the appropriate GAR people's government council, and in cases where the latter council had yet to be set up, the provincial government was responsible to the direct leadership of the GAC. The fifth article of the same regulations spelled out in terms similar to the fifth article of the ORGAR, the nature of the relationship between provincial and other levels of administration. The pattern, established in the first section of this article, is as follows:

"As for important tasks which come within the jurisdiction of the Provincial People's Government Councils after these tasks have been dealt with, the Provincial People's Government Council will make a report to the Greater Administrative Region People's Government and the report will then be passed to the GAC. As for matters which have regional or national implications, before they can be dealt with, the Provincial People's Government Council must either request instructions from the Greater Administrative Region People's Government Council, or through the offices of the latter seek instructions from the GAC and then submit a report once the matter has been dealt with."<sup>37</sup>

The above discussion makes it clear that certain matters were to be left to the discretion of the appropriate level of local administration, although in the final analysis the CPG would intervene to determine what matters were to be handled by what level of administration.

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37. ORPPG, FLHP, p.122. One might note here that in the translation of these various articles, one often encounters this ambiguous "or" (huo) construction, and it is never made clear which procedure, A or B, is to be applied in what specific instance.

To recapitulate, the CPGC possessed almost unlimited constitutional authority, but the administrative philosophy, which was evident in the constitutional arrangements of late 1949, called for a devolution of administrative responsibility in accordance with "local expediency". Obviously the latter emphasis involved a devolution of responsibility in terms of the implementation of policy, but the more important and somewhat more difficult question is to what extent were GAR governments involved in the shaping of policy.

One can immediately note that policy implementation and policy formulation are not as readily separated in practice as in theory. Policy formulation inevitably involves the inter-reaction of levels of administration. Lower levels provide the basic information, which helps shape policy. Personnel, who may not have formal positions in relation to the shaping of policy, nonetheless, have a hand in deciding how and what information is processed and transmitted to superior levels.

There was no real devolution in terms of the formulation of general principles. One, however, can say that the front-rank leaders of GAR organization undoubtedly participated in CCPCC debate as to general principles by virtue of the important positions which they held on the CCPCC, CPGC and PRMC. The regional governments did have a great deal of discretion in terms of the refining of general policy to fit local circumstances. We shall see in later chapters that the GAR governments sometimes promulgated regulations even before the GAC set out corresponding national regulations. There will also be opportunity to discuss inter-level exchange in relation to the development of mass campaigns, as national regulations, which determined the policy emphases and structure of the mass campaigns, were often based on the experience of regulations, which had been formulated and applied at the regional level.

Given the severe shortages of experienced and policy-conscious personnel at all local levels, and given the tremendous unevenness



in patterns of national political and economic integration achieved hitherto, the active participation of the GAR level in the direction of the campaigns was almost inevitable. The administration of the campaigns had of necessity to be decentralized; for example, at a time when there was hardly any uniformity in the timing and conditions of land reform from hsien to hsien, let alone from region to region, the centre, with only very limited resources at its disposal, would not have been able to conduct a mass campaign of such complexity within a rigidly vertical structural framework. Furthermore, any attempt to conduct a mass campaign within such a framework would have stood in contradiction with the totality of the CCP's wartime organizational experience. Given the tremendous unevenness of the national pattern of political integration, the question of timing and preparations assumed great importance and in the area of operations the GAR level assumed special responsibility.

The Agrarian Reform Law of the People's Republic of China recognized the need for a pragmatic region-by-region approach to the development of land reform; Article Thirty-eight specifically stated:

"The time of starting agrarian reform in various places shall be regulated by decree and made public by the people's governments of the big administrative areas (or the military and administrative committees) and the provincial people's governments."<sup>38</sup>

Chou Fang has in his comments on the GARs described the devolution of administrative responsibility to meet the prevailing uneven patterns of political integration in the following terms:

"Because conditions in the different regions were complicated during the initial period of liberation, our work progressed unevenly, and we created state organs at the level of the Greater Administrative Region in order to facilitate centralized, unified leadership, and by needing local circumstances, we made headway in our

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38. See 'Agrarian Reform Law of the People's Republic of China', CB, No.42, December 22nd 1950, p.8.

work: this was especially necessary and appropriate. In terms of destroying the power of counter-revolutionary remnants, healing the wounds of war, restoring the national economy and furthering various social reform movements, these administrations all made great contributions."<sup>39</sup>

Over the course of the period of economic restoration a great many responsibilities were devolved from the centre to the GAR level, as the following editorial comment indicates:

"Except for military, diplomatic and public security work which were placed under the central leadership of the Central People's Government, all the other work (during the period of the Military and Administrative Committees) was carried out by the leadership organs of the different regions."<sup>40</sup>

We have covered how in theory the state machinery was to function, but it remains to trace the actual pattern of centralization as it developed through the years 1950-54. This pattern will be generally described here, and then explored in greater detail in Chapter Four.

Despite repeated emphases in 1949 on the importance of a flexible administrative approach involving the tapping of local creativity and initiative, and the devolution of responsibility within a dual structure of administration, the economic and fiscal crisis of early 1950 was met with a high degree of centralization. The centre responded to the chronic imbalance of state expenditure and revenue with the GAC's decision on the unification of financial and economic work, promulgated on March 3rd 1950. In the practical terms of the implementation of the decision, the Yenian emphases on "finance through economic development" and "centralized leadership and decentralized management" were abandoned. No doubt the decision itself was necessary in the light of the crisis, which was exacerbated by fiscal irresponsibility at local levels; however, in the course of implementation, the central authorities went to an extreme, and the Ministry of Finance siphoned off the fiscal resources of local levels of government with adverse effects on commerce and economic restoration.

39. Chou Fan, WKKCKK, p.81.

40. See "Meaning of the Recent Reorganization of Government Organs to meet Economic Construction", in SCMP, No.460, p.29 for the translation of an editorial appearing in Ta-kung pao, Hong Kong, Nov.27, 1952.

There was obviously a continuing debate as to the kind and degree of centralization necessary at that time. There were those who advocated more emphasis on "direct leadership of various systems" (ko hsi-t'ung chung-chih ling-tao) and less emphasis on a "system of local unified leadership" (ti-fang i-yuan hua ti ling-tao chih-tu). The line or argument was clearly drawn in a Chang-chiang jih-pao editorial of December 16th 1950. The editorial emphasized the building up of important CPG ministries, involved in the administration of trade, capital construction, finance and currency.<sup>41</sup>

As we have already noted in Chapter Two, the concept of "unified leadership of the Party" (Tang ti i-yuan hua ling-tao) was especially well defined in terms of the specific leadership problems which the Party faced at the time of the KMT's blockade of the border regions and the Japanese "Three-Alls". At that time military operations had become more dispersed. Party and state tended to separate, and the Communists found that they had to concentrate their action at lower levels of organization. "Unified leadership" was then described in two-dimensional terms. There was a need to co-ordinate different levels of Party, state and army organization, and there was a concern that the Party Committees at the various levels insure the co-ordination of different systems at the same level. Hence, it was stressed that local Party Committees include Party cadres who worked in Party, state and military departments. Higher level army, mass organization and government decisions were taken with the approval of the Party Committee of the corresponding level.

But to return to the point of view, outlined in the above editorial: it was argued that "unified leadership of the local Party Committee" (ti-fang tang ti i-yuan hua ti ling-tao) had been especially important during the war when villages were isolated

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41. "Chin-i pu k'o-fu ling-tao chi-kuan ti ping-chün chu-i tso-feng ch'uan-li tso hao t'u-kai chung-hsin kung-tso", (Advance overcoming the egalitarian work style of leadership organs exerting all effort to take agrarian reform as the centre of work). CCJP, December 16th 1950, also available in Kan-pu hsüeh-hsi tzu-liao, No.26, February 1951.

and when enemy lines cross-crossed CCP held territories. At that time state administration rarely transcended the level of the Special District, and "sub-region management", (fen-ch'ü kuan-li) was the order of the day. Even with victory, "the unified leadership of the local Party Committee" was still significant, but the argument then stressed the distinction between tasks involving social revolution and tasks involving economic construction. As for tasks involving the latter, it was argued that "direct leadership" by specialized ministries was more appropriate. However, we might readily note that this view did not represent a firm consensus of opinion; for example, Lin Piao, Chairman of the CSMAC, in a report on the activities of the CSMAC, stressed horizontal co-ordination and local creativity. The following point in relation to work method was stressed:

"The Commission assumes leadership of these organs [i.e. the committees and departments under the CSMAC], but gives them a free hand to manifest to the fullest their own capabilities, their initiative and their creative power."<sup>42</sup>

In the spring of 1951, the GAC, under the active leadership of Chou En-lai, made an abrupt u-turn, reversing the earlier trend towards vertical centralization. A GAC decision of March 19th 1951, firmly established a three-grade financial system and authorised a federal scheme of tax-sharing. Similarly at its 83rd session the GAC announced the "Decision on Division of Functions and Power Between Central and Local Governments in Managing Financial and Economic Work". In effect a philosophy of administration, which had evolved out of wartime experience in Yenai, gained increasing significance in a period when the CCP was attempting political and economic integration across the length and breadth of China.

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42. See CB, No.39, December 9th 1950, p.8.

The net set of policies, which emerged in 1951, were based on a philosophy of government administration, which maximized local expediency. This philosophy of administration involved a downward thrust of administrative responsibility and a greater sharing of power within the overall context of general principles and policies, defined at the centre. 1949 emphases on local expediency, which had been lost in the fiscal centralization of 1950, were re-established. A strategy, based on the theme of self-reliance, emerged. The centre was to focus on certain key-points in the economy while the local governments would be allowed greater initiative to develop local construction. The rationality for these policy emphases was clearly articulated in a Jen-min jih-pao editorial covering the March 29th decision. The following point of view was advanced:

"Moreover, in a country like China with so large an area and so great a population and with so complicated a situation, to concentrate everything on the Central Government would overburden the Central Government organs with too heavy administrative duties and would cause the danger of relaxing attention to the general policy of state. To properly transfer certain power and responsibility to local governments under unified leadership, thereby to realize local expediency, would, rather than causing any harm, further consolidate the central leadership through the manifestation of local initiative."<sup>43</sup>

Editorial comment specifically placed the March 29th decision in the context of the 1949 emphases on local expediency, as it was stated:

"Very obviously the Decision fully accords with the principle of "beneficial both to national unification and to local expediency" as laid down in Article 16 of the Common Programme and also the principle of "defining the financial spheres of central and local governments" as laid down in Article 40 of the Common Programme, while the spirit of "local expediency" is the main feature of the decision."<sup>44</sup>

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43. "Centralized Leadership and Divided Responsibility is Correct Policy of Financial Work", SCMP, No.91, p.17, (from JMJP, Peking April 5th 1951).

44. Ibid., p.17.

In the preamble to the GAC decision to establish a three-grade financial system, Chou En-lai wrote:

"For the sake of consolidating the centralized management and leadership over state finance and of conforming with the economic situation and working conditions in regions, provinces and municipalities throughout the country, thereby to facilitate local expediency, this council has decided to divide the system of government system of government finance for the year 1951 into three grades -- Central, Regional and Provincial (Municipal)."45

The second section of the decision defined "local finance", and, as is clear from the following excerpt, entrusted the GAR governments with the responsibility for the structuring of local budgetary arrangements:

"The central Ministry of Finance shall apportion part of the designated receipts and the approved regional budgets as receipts and disbursements allotted by the Central Ministry of Finance and according to concrete conditions in the provinces (municipalities) under its jurisdiction, the Administrative Region shall divide the financial system into Regional Finance and Provincial (Municipal) Finance, and shall report to the GAR Committee on Financial and Economic Affairs for record."46

The March 29th decision also set forth in precise terms the tax prerogative of the central and regional level governments. The decision specified that certain taxes, such as commodity tax, industrial and commercial taxes, stamp tax would be shared between central and regional governments, but it also outlined exclusive tax-levying prerogatives. Customs, salt taxes and revenue from state enterprise under direct CPG jurisdiction were exclusive to the central Ministry of Finance, whereas the regional governments were granted an exclusive collecting prerogative in terms of the revenue from state enterprise, managed at the regional level, the slaughter tax, real estate tax, certain judicial fees, etc.47

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45. "3-Grade Government Financial System Instituted by the GAC to Consolidate Centralization of finance", SCMP, No.91, p.12, (from JMJP, Peking, April 5th 1951).

46. Ibid., p.13.

47. Section 4, March 29th decision, SCMP, No.91, p.15.

The wording of the March 29th decisions as well as the covering Jen-min jih-pao editorial was such as to indicate that there had been opposition to the new set-up. First, there was the question as to whether or not under the new arrangements the local levels could be depended upon to insure the annual revenues of the central government. The Jen-min jih-pao editorialized on the point that section Eight of the decision guaranteed local fiscal discipline within a national budgetary framework, and furthermore emphasized the past performance of the people's governments, as is evident in the following comment:

"...the various grades of people's governments have all along been faithful to the decisions of the Central People's Government and they will certainly do satisfactorily in guaranteeing the fulfilment of the central financial task."<sup>48</sup>

There had also been criticism on the point that the devolution of fiscal responsibilities would further aggravate regional economic disparities. As the following statement indicates, the Jen-min jih-pao met this criticism with the assertion that the centre was not abdicating in its responsibility to insure development in all regions, and that regional inequalities would be taken into account under the centre's "unified plan":

"As there are different economic situations and states of revenue in various localities, does the institution of the GAC decision lead to the grave phenomenon of unequal poverty and prosperity? That is unlikely while local revenues differ from one locality to another and while local projects to be undertaken differ in scope, the standard of supply in different localities and investment in state economic construction are worked out by the Central Government under unified plans, taking into account the concrete conditions of various localities."<sup>49</sup>

Despite this reassurance, this criticism, raised in 1951, does seem to point to a major weakness in the strategy for economic development, based on the concentration of centrally directed effort at keypoints in co-ordination with exploitation of self-

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48. "Centralized Leadership and Divided Responsibility if Correct Policy of Financial Work", SCMP, No.91, p.18.

49. Ibid., p.17-18.

reliance at the local levels. The possibilities of self-reliance were greater in some localities as opposed to others, and, if the centre was in fact to adjust its unified plans so as to insure a sensitive approach to regional inequalities, this would require a massive degree of central intervention at the local level in contradiction to the spirit of self-reliance, which accents the devolution of government responsibilities.

As we have seen, the problem surfaced in relation to the "co-ordinated economic regions", when Ch'en Yün in 1959 suggested that a choice would have to be made between regional self-reliance and national economic development. In his view, the reduction of regional inequalities might well conflict with an emphasis on a system of priorities in determining industrial sites.

The decision of May 4th 1951, as to the division of functions and powers between central and local governments goes into some detail as to the reasons for the new administrative arrangements of 1951. It was then argued that the extraordinary difficulties of 1950, such as runaway inflation, currency instability and the tremendous pressure on the central treasury to payroll the ranks of the PLA and the new government, which had been greatly swollen by large numbers of retained KMT military and government personnel, had at that time necessitated a strong centralization. However, it was broadly hinted that this centralization had been excessive due to a lack of administrative experience as well as certain lack of precision in the defining of the responsibilities of the various levels of state administration.

It has already been emphasized that the relevant organic regulations and documents of constitutional significance, which were drafted in late 1949, provided a very high degree of flexibility, but did not spell out in a one-two-three fashion the definite sphere of authority and responsibility of each level of government. In 1949, for example, the ambiguous distinction between matters of regional importance and matters of national importance had been noted, but not really defined, hence problems arose in the unraveling of conflicting jurisdictions; the following problem of administrative jurisdiction was cited in the May 4th decision:



"As an example, the state trade work failed to distinguish between business of comparatively greater local importance, and uniformly put them under the direct leadership of the respective special trading companies, thus restricting some business of comparatively greater local importance from exercising "local expediency"...."50

Furthermore, the following point was drawn out:

"...no clear provisions were made in the past as to what powers belonged to the Central Government and what powers belonged to local governments; this would make it difficult for local authorities to exercise any control over enterprises existing in their locality but directly managed by the Central Government."51

The Jen-min jih-pao editorial, covering the May 4th decision, reaffirmed in so many words what Mao had said in 1949 with reference to China being a big country, and, therefore, needing regional governments; it was specifically claimed:

"...in our country with wide area, vast population and not highly developed communications facilities and still passing through the great transformation of people's revolution, numerous things require local management..."52

Significantly, the editorial defended regional management in terms of democracy. The regional governments, it was argued, were to be viewed in the context of the collective strength of the masses and served to illustrate the correct thinking behind Mao's teaching, "up from the masses and down to the masses".

Chou's policy of "centralized leadership and divided responsibilities" (tung-i ling-tao, fen-chi fu-tse), was consistent with the emphasis on local expediency explicit in the constitutional arrangement of 1949, and, furthermore, was consistent with the Yen'an formulation, "centralized leadership and decentralized management".

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- 50. "GAC Decision on Division of Functions and Power Between Central and Local Governments in Managing Financial and Economic Work", SCMP, No.108, p.22, (from JMJP, May 26th 1951).
  - 51. Ibid., p.22..
  - 52. "Division of Functions and Power Between Central and Local Governments in Managing Financial and Economic Work", JMJP editorial of May 26th 1951, translated in SCMP, No.108, p.23.

The May 4th decision also reveals an increasing emphasis on the importance of political perspectives, in particular the need for the exercise of political control at the local level over the development of state enterprise. The decision referred to two categories of state enterprise, but, as the following instruction indicates, even in the case of state enterprise directly managed by central ministries, political work was to be the responsibility of local authorities:

"...part of state enterprise or part of financial and economic business to be transferred in totality to local management, for example, local industrial, financial, trade communications enterprises. Except guaranteeing the unification of state policy plans and systems, all management and political work in these enterprises shall be placed under the responsibility of local governments. The second category consists of enterprise (scattered in various localities and directly managed by the Central Government financial and economic departments) the political work therein shall be placed under the leadership of the local authorities designated by the People's Governments of the administrative regions."<sup>53</sup>

In relation to this rather curious arrangement, the Jen-min jih-pao could only query somewhat apologetically:

"In such a vast country like China where state enterprises are scattered, how can the Central Government finance and economic departments know everything about the ideological state, political understanding, working conditions, labour attitude of each personnel of an enterprise?"<sup>54</sup>

One must place these decisions regarding the financial and economic system of government in the context of the GAC's strategy for industrial development in the year 1951. Chou En-lai was of the opinion that the centre had had too much to do. It was decided that central ministries would concentrate on large-scale capital construction, but in the Yen-an tradition of capitalizing on all positive economic factors, local governments were given the green

53. JMJP editorial in SCMP No.108, p.23.

54. "Centralized Leadership and Divided Responsibility is Correct Policy of Financial Work", SCMP, No.91, p.18.

light to go ahead and develop local industry using local resources and manpower. The April 6th 1951, decision, relating to state industrial production,<sup>55</sup> provided the concrete administrative framework through which the new strategic emphasis could be applied. The centre offered incentives in order to revive local industry, which had languished under the tight fiscal centralization of 1950. Surplus equipment was to be transferred to local enterprises and the centre was to handle depreciation costs. Departments of trade and the banks were instructed to sponsor local industry. As for the profits of such industry, once obligations to the treasury had been met, any remaining profits were to be ploughed back into local industrial expansion.

In July 1951, there was a national conference of secretaries-general, who were attached to the general offices of the various government councils and committees. The conference focused on Chou En-lai's formulation, "centralized leadership and divided responsibilities". The government strategy, which was then elaborated upon, stressed that the centre would reserve its energies, grasping "key-points", but also keeping an eye on the overall situation. Under the new division of labour, local levels were to relieve the centre of some of its work load. The following point was brought out:

"Between the various grades, the system of assuming responsibilities by separate levels should be strengthened in accordance with the nature of work. Ordinary and routine work should as far as possible be left to the various offices and departments for disposal at their own responsibility. Do not concentrate everything at the top so that the heads are confined within the narrow circle of plodding at routine."<sup>56</sup>

The conference called for an emphasis on the horizontal in government administration. Note the following point:

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55. "Cheng-wu yüan kuan-yü i-chiu-wu-i nien kuo-ying kung-yeh sheng-chan chien-she ti chüeh-ting", (GAC decision relating to 1951 production and construction of state industry), HHYP, Vol.4, No.1, pp.137-139.

56. See SCMP, No.147, August 1-2 1951, p.18, (NCNA, Peking July 27th 1951).

"In conformity with the division of business, the organizational structure may develop in a horizontal way, gradually changing the former large and all-inclusive organizational set-up."<sup>57</sup>

In 1951, we can already see the clear outlines of an administrative philosophy and a strategy for economic development, which later emerged as canon in Mao Tse-tung's formulation of the "Ten Great Relationships". In 1951 the issue was not resolved, and a course was not unalterably set. The policies set out in the spring of that year were viewed as temporary. Indeed, the following statement, which appears in the text of the May 4th decision, would seem to anticipate another pattern of administration and a downgrading of regional participation in economic construction:

"Later, when coming to a certain phase in the development of the national economy, if more concentration is beneficial to the people and the work itself, the local governments will certainly support more concentration. Hence, this decision will on no account affect concentration when things are different and times are different."<sup>59</sup>

In 1951 the CCP was especially preoccupied with problems of political integration and economic rehabilitation. However, in late 1952, the CCP leadership dared to think in more bold and expansive terms than simply economic rehabilitation. They could then entertain the prospect of more Russian credits in 1953. The Three-Antis Campaign had served to insure political consolidation within the bureaucracy, and the campaign had been followed by vigorous recruitment in the state and Party administrations. Furthermore, provincial administrations had started to stabilize, as some of the more irregular features of the 1949 administrative demarcation were adjusted. There was a flurry of activity at the GAR level in anticipation of plans for large-scale capital construction; for example, the North China Administrative Committee sponsored the North China Economic and Finance Conference, which met from October 21 to November 2nd. The conference approved a shift

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57. SCMP, No.147, August 1-2 1951, p.19.

58. SCMP, No.108, "Division of Functions and Power", p.24.

in the centre of work to capital construction, and the call went out to strengthen leadership in building companies and to train adequate numbers of cadres. It was the beginning of a new stage in the Chinese revolution.

In preparation for this new era of large-scale capital construction, the CPGC availed itself of its extraordinary constitutional powers and brought about a wholesale reorganization of the state structure. The November 15th 1952, "Decision on Change of the Structure and Tasks of the People's Governments (or MACs) of the Greater Administrative Regions", called for the reorganization of the regional governments of 1949 into administrative committees. These successor committees did not have the status of their antecedent councils as they were not described as the "highest local organs of state power". The reason for the change was clearly spelled out in the preamble of the decision as follows:

"To meet the new situation and new task of nationwide large-scale and planned economic construction and cultural construction shortly to be started in 1953, the Central People's Government should further unify and centralize the leadership over the various phases of work, and the organization of the Central People's Government should be further strengthened in order to increase the responsibility of leadership at provincial and municipal levels. Consequently, the structures and tasks of the people's governments (MACs) of the administrative regions should be changed accordingly."<sup>59</sup>

An article appearing in the Kuang-ming jih-pao on December 25th 1952, took up the same argument, observing that more centralization was required in preparation for large-scale capital construction. The 1949 administrative system was then rationalized in the following terms:

" In relation to the tasks of state administration in 1949 the people's government (MACs) of the administrative regions would have to have greater power and larger organic structure to conduct local affairs independently. However work conditions were different

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59. See SCMP, No.453, "The CPGC Holds 19th Meeting", pp.17-18, (NCNA, Peking November 16th 1952).

in various places. . For instance, economic construction was carried out in the Northeast<sup>†</sup> region in 1950, while at the same time land reform was being carried out in East China, Central-South and Northwest<sup>†</sup> and bandit suppression, anti-despot, rent-reduction and deposit refund campaigns were being carried out in the Southwest. As the degree of work was different in various places, a strong leadership organ capable of representing the central government had to be depended upon in the administrative regions to timely and properly guide the local governments at all levels to concretely and thoroughly implement the unified programmes and policies of the central government."<sup>60</sup>

The implication was that the united front aspect of the GAR people's government council had been necessary because of the very great regional variations in the level of political integration, but that now that a reasonable degree of political integration had been achieved nationally and the nation was poised for the struggle to build large-scale capital construction, the status of the GAR governments as the "highest local organ of state power" was no longer necessary.

As the regional governments had lost this status, the necessity for the convening of people's congresses at the regional level was no longer as compelling, and it is, therefore, not surprising that the Election Law of the People's Republic of China, which was subsequently passed during the twenty-second meeting of the CPGC on February 11th 1953, failed to mention congresses at the GAR level. Such an omission naturally reduced the significance of the regional governments as institutionalized forms of the united front; however, it should be stressed that despite this omission, united-front style organization continued to persist at this level. The regional headquarters of national organizations such as the New Democratic Youth League, All-China Women's Federation, Sino-Soviet Friendship Association, etc., continued to function down to autumn 1954, when the GAR level was completely abolished.

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60. See translation in SCMP, No.494, January 17-19, 1953, p.37.

There was no suggestion in late 1952 that the regional level of administration was to be phased out in the near future, and indeed this level was still deemed appropriate to the development of a rational pattern of centralized administration. The regional administrations before and after the decision of November 15th were, nonetheless, involved in preparing for large-scale economic construction. In fact the wording of the decision was such that there was even provision for an increase in the number of bureaux at the regional level. The regional administrations were seen as the instruments for the furthering of administrative centralization under the GAC, hence the Southwest Committee of Financial and Economic Affairs setup a capital construction office to exercise leadership over all capital projects in the region.<sup>61</sup>

While the regional departments were reduced to the status of bureaux (chü), there was no diminution in terms of the variety of governmental functions, handled at the regional level. Prior to the November 15th decision, the regional bureaux of the CCPCC had been actively engaged in study sessions in economic theory for senior-level cadres of the regional governments in preparation for regional participation in economic construction. Although the new Election Law did not make any provision for the convocation of regional congresses, the regional administrative committees were nonetheless involved in the building of people's democratic state power at other regional levels. The East China Administrative Committee, for example, accepted responsibility for the following major tasks in 1953: "To strengthen coastal defence and support the resist-US struggle in Korea; to strengthen guidance over industrial production and capital construction work; to develop mutual-aid and co-operative movement and improve leadership of rural work; and to enforce universal franchise and convene people's congresses at provincial (municipal), hsien and hsiang levels".<sup>62</sup>

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61. SCMP, No.457, "Capital Construction in All Regions", p.1.

62. SCMP, No.519, "East China Administrative Committee Holds Full Session", pp.30-31, (NCNA, Shanghai, February 25th 1953).

Not surprisingly the number of the various administrative units under the East China Administrative Committee had to be increased. Previously, under the old ECMAC, there were twenty-five committees, departments and bureaux; however, as a result of reorganization, which began on December 2nd 1952, this number increased to thirty-nine committees, bureaux and offices.<sup>63</sup>

The organizational pattern of government, which emerged after the reorganization, was complex; it was a hybrid form of government, incorporating both "dual" and "vertical" elements. Article Three of the November 15th decision stipulated that some bureaux would be subject to direct leadership of the competent ministries of the CPG, while other bureaux would still be subject in the first instance to either the regional administrative committee itself, or one of its subordinate committees. Inasmuch as some bureaux were directly integrated with the parent ministry in Peking, the whole system of government moved towards Franz Schurmann's conception of "pu-men",<sup>64</sup> but a degree of horizontal authority was, nonetheless, preserved despite the reorganization, because the grouping of the various regional bureaux under the old committees of political and legal affairs, educational and cultural affairs, etc., was carried over. A greater degree of vertical centralization took place in terms of the GAR bureaux, involved in capital construction. Also the centre wished to strengthen itself while consolidating provincial and municipal governments. The new hybrid administrative structure included systems with dual channels of authority as well as systems which related to the centre vertically, hence the bureaux of the new administrative committees were placed in one of two categories. Bureaux such as that of health and civil affairs were responsible to the "leadership" (ling-tao) of the administrative committees, but had also to honour the "guidance" (chih-tao) of one of the

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63. *Ibid.*, p.31.

64. F. Schurmann, p.199. Schurmann suggests the term corresponds to the Russian otrasl' and is used to describe central ministries, which have direct control over an extensive network of branch agencies, situated at various administrative levels.



major committees such as the Committee of Political Affairs, whereas bureaux of the second category, for example, the Commercial Enterprises Bureau, were placed under the "leadership" of a central ministry; it was explained:

"Inasmuch as these bureaux and offices [of the second category] are set up by the Central People's Government in the administrative regions, they should certainly be subjected to the supervision (chien-ch'a) and guidance (chih-tao) of the administrative committee and concerned committee (e.g. Committee of Financial and Economic Affairs) in the region. However, the administrative committees should not directly exercise power of leadership (ling-tao) over them, because their direct superiors are the concerned organs of the Central People's Government."<sup>65</sup>

During the course of 1953, the GAR committees participated in the preparations for large-scale capital construction and in the establishment of the people's democratic state power.

Official explanations notwithstanding, the decision, taken at the thirty-second meeting of the CPGC on June 19th 1954, to dis-mantle completely entire regional military, Party and state machineries does seem somewhat perplexing. The regional machineries were eulogized with unsparing rhetoric, as the following comment illustrates:

"These machineries have produced important effects and victoriously fulfilled their missions in the thorough implementation of Central Government policies, the enforcement of measures for the people's democratic political machinery construction, the promotion of various other tasks in economic construction, culture construction and construction in other phases."<sup>66</sup>

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65. "Chia-chiang kuo-chia kung-tso ti chi-chung hsing ying-chieh ta-kuei mu ching-chi chien-she", (Strengthen direct centralization of large-scale construction in state work), JMJP, November 17th 1952, p.1. Translated in SCMP, No.455, November 19th 1952, pp.3-5.
66. Chinese text available in JMJP, June 20th 1954, p.1. The English translation used above is provided in SCMP, No.832, "CPGC Decision on Abolition.....", pp.8-9.

As has already been emphasized by the CCP's definition of "centralization" in 1951 and 1952 did not preclude the existence of regional governmental machineries. In fact these machineries were viewed as centralizing agents, which were responsible for achieving a degree of uniformity in policy implementation and political integration. Furthermore, "centralized" government was government which respected "local expediency"—government which devoted its energy to general policy-making and was effective partly because it did not become bogged down with local detail in the implementation of programmes.

It would seem that the CCP was employing a new definition of "centralization" in 1954 — a definition which perhaps reflected a less inhibited adaptation to or greater appreciation of Russian economic planning technique. This second definition was one which seemed to push to an extreme of "vertical rule". The reasons given for the abolition of the regional level of government administration were consistent with this second definition of "centralization". It was argued in 1954 that the central government would gain a more concrete understanding of conditions at the provincial level once the intermediate level of administration was eliminated. The abolition was also justified on grounds of efficiency and the need for personnel at other levels. Previously, the regional administrative machinery had been regarded as useful in facilitating centre-provincial understanding, but in 1954 the leadership took the view that this machinery was redundant. The later re-emergence of regional bureaux of the CCPCC as well as the demarcation of "co-ordinated economic regions" would seem to suggest that such a level of administration was not altogether irrational in the context of Chinese administration, and casts some doubt on the official explanations of 1954.

We now have a general idea of the constitutional prerogatives of the various levels of government administration. Obviously, the organization plans of the CCP leadership as set down on paper left many options open. There was plenty of room for improvisation if not sweeping institutional reorganization. Over the months and

years of the early 1950's the central government defined and redefined administrative procedures. By looking at the specific directives, policies and administrative actions of the several regional governments relating to the prosecution of agrarian reform, the unification of financial and economic work, the restoration and development of urban-rural trade interflow, the . Three Seasons Campaign, the early attempts at state planning of capital construction, the three- and five-antis rectifications, we will not only be in a position to draw some conclusion as to the role of the Greater Administrative Region administrative machineries in the building of state power in the early 1950's, but will also profit from a richer perspective on the larger problems of government communication and the nature of "regionalism" in a period seminal to the political consolidation of the People's Republic of China.

## III

iii) Towards a Reassessment of "Regionalism"

Thus far discussion has been confined to the formal terms of organization and theory, and it would now seem appropriate to our analysis of the role of the GARs in the process of national political integration to focus more sharply on the structuring of power relations. However, one might begin with a long and hard look at the general theoretical problem at hand before turning to a more discrete analysis of the circulation of GAR personnel and the determination of the identity of GAR personnel as either "regional" or "national".

There have been many attempts to broach the subject of "regionalism" from the vantage point of the elite theorist, but there is little consensus as to the methodology to be employed in the correlation of patterns of intra- and inter-elite association and political behaviour. Elite theory in its application to the functioning of the Chinese political system is subject to severe limitations; for example, due to a lack of hard information, there is the tendency to stress public visibility as an indicator of power and influence. Attempts to assess the power of important leaders are often related to the formal positions, which a given leader holds, but there is good reason to suggest that shifts in the distribution of political influence within the hierarchy of leadership often outstrip the formal recognition of an individual's power status. The CCP's emphasis on the organization of social forces and the tendency to create ad hoc political structure are often not considered when hypothetical constellations of power are advanced for discussion. In the Chinese context, it is difficult to establish the primary institutional identity of any particular leader, for Chinese Communist organizational experience has been characterized by a high degree of inter-system co-ordination and co-optation. Indeed, analysis of elite circulation in the course of political consolidation in the early 1950's is especially problematic. The early '50's were characterized by organizational emphases on

the horizontal inter-relation of different systems, by an exceptionally high degree of co-optation between systems and a high degree of concurrent office-holding which spanned different administrative levels as well as systems.

What is of fundamental concern is the fact that the possible variables of elite association, whatever they may be— common provincial origins, common institutional perspectives, similar historical experience, common ideological commitments, etc.— need not be regarded as constant in relation to the emergence of a possible faction or node of power.

There may be a case for arguing that elite theory, based as it is on certain explicit assumptions concerning the nature of man and his continual quest for power, tends to downgrade the significance of ideological factors in the political decision-making process, as political action is defined almost exclusively in terms of the inter-relation of factions, which either act to protect their own power base, or act to deny the accretion of power to a rival faction.<sup>1</sup> A prominent elite theorist once observed that "...elite studies are subject to abuse especially if they are undertaken in isolation from the total environment which surrounds the political actors". Elite theory, as it is applied or misapplied to the Chinese political context, is predicated upon the expectation of a "routinization of charisma". In short, there is a tendency to anticipate the perpetuation of warlord or Republican patterns of political behaviour in post-1949 China.

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1. See Andrew Nathan, "A Factionalism Model for CCP Politics", CQ, No.53, January-March 1973. Nathan seems to be suggesting (p.47) that there is a tendency within the Chinese political system to downplay ideological disputes which would disrupt the balance between different factions. Nathan argues that the shifting of factions reduces the significance of ideological commitments, but he concedes on p.36 that his model deals only with organizational constraints on political behaviour, and does not include consideration of either ideological or cultural constraints.
  2. Robert Scalapino, ed., Elites in the People's Republic of China, introduction, p.v.

One might alternatively stress that the unity of ideologically committed Party members provided the foundation upon which a national state structure was erected. In the period 1949-54, the confidence of the CCP leadership in the unity of the Party was such that they did not hesitate to meet the immediate problem of political consolidation and economic rehabilitation with whatever degree of institutional decentralization, deemed necessary.

One is justified in expressing grave misgivings as to any attempt to reconstruct political events on the basis of post-purge generalized statements and rationalizations concerning the action of fallen CCP leaders. A study of "regionalism" is particularly problematic as terms such as "independent kingdom" (tu-li wang-kuo), and "warlordism" (chün-fa chu-i) are loosely and indiscriminately applied in rationalizations of intra-Party struggle. These epithets are rich in pejorative connotations, which immediately evoke the spectre of warlord China; however, one cannot readily assume that such rationalizations accurately characterize post-1949 political processes. Formerly, a warlord's command of troops was based on personal loyalty and a pattern of client relationships; he often enjoyed financial independence. To suggest that such characteristics were perpetuated in the course of the creation of the new national government would mean disregarding the essential historical differences between KMT and CCP political experience.

What then can be said in relation to the GARs and the manifestation of "regionalism" in the Chinese body politic? In late 1949, Mao, in a reference to the creation of the GAR governments argued that the possibilities of regionalism under the new people's regime were negligible as "...the historical conditions giving rise to past feudal partitioning of the country have been eliminated".<sup>3</sup>

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3. S.B. Thomas points to the significance of this remark in his study, Government and Administration in Communist China, revised edition, p.83; original reference, China Digest, Hong Kong, December 14th 1949, p.28.

He went on to say that "...only with the establishment of these strong regional organizations could things be done properly in a big country like China".<sup>4</sup> It will be argued particularly in relation to later discussion on the implementation of policy in the administration of the new national economy that the GAR administrations acted to facilitate the processes of national political and economic integration.

At the outset, one must come to grips with a rather basic question, namely, should the leaders of the GAR governments be viewed as members of several regional elites or as part of a national elite, designated as the "centre". There is one variable of elite association, which we can dispense with rather quickly. The possibilities for the development of a "regional" personality, based on cultural and historical identities at the GAR level, were sharply delimited. There were no imperial precedents for the GAR administrative demarcation as a whole. One can speak generally of a North-South cultural animosity, but it cannot be linked in a meaningful fashion to GAR administrative demarcation.

William Whitson, in his study of the field army system, has presented arguments for viewing the several field army commands as regional elites. In terms of elite association, he has stressed the inter-relation of these elites as a form of "federalism", whereby a balance is maintained through the transfer of military personnel, or more specifically, through the exchange of "ambassadors" and "hostages" between field army systems.<sup>5</sup> Whitson

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4. S.B. Thomas, op.cit., p.83.

5. See William Whitson, "Field Army in Chinese Communist Politics", CQ, No.37, January-March 1969, pp.1-30, especially p.11 and also William Whitson, The Chinese High Command, p.93. Often this study is cited as an example of the successful application of elite theory, but Whitson, himself, conceded that he has made no attempt to measure the "depth of individual loyalties", p.2 of the above article. Whitson has attempted to establish a hypothetical pattern of elite association, but this pattern has yet to be conclusively correlated with political behaviour. See William Parrish, "Factions in Chinese Military Politics", CQ, No.56, October-December 1973, p.667. Parrish concludes that Whitson's data could equally well validate the contrary conclusion that post-1949 transfer of military leaders was random rather than "purposeful". Whitson has replied to Parrish's criticism in CQ, No.57, January-March 1974, pp.146-148.

correlates the assignment of posts in the PLA with past field army designations and suggests that the same correlation may also be meaningful in terms of the disposition of Party personnel.

The various regional military commands were almost identical with the top memberships of the GAR governments and Party bureaux. Alternatively, we might view the front-rank GAR leaders as members of the "centre", and the transfer of front-rank GAR personnel could be seen in terms of the "federalization" of the executive machinery".<sup>6</sup> Some GAR leaders shuttled back and forth between Peking and GAR capitals. Several returned to the centre in 1952 to participate in the preparation for large-scale capital construction. In late 1953, as the preparations for the new stage of transition to socialism and for the creation of a new national state structure became increasingly evident, the jockeying for position in the new state structure became intense and culminated in the Kao-Jao affair.

The pattern of elite "federalization" was clearly manifest in the movement of "national" figures such as Lin Piao, Tung Pi-wu, Po I-po, etc., since 1945. During the Civil War, part of the CCPCC leadership, including Kao Kang, Ch'en Yün, Lin Feng, Peng Chen, Li Fu-ch'un, was despatched to consolidate the Northeast. In 1949, the CCPCC leadership again divided itself, designating certain lieutenants as responsible for the political consolidation of the several GARs. These leaders were not then reduced to "regional" leaders, especially as they held down important positions in Peking at the same time.

The CCP leaders, who had been active in the Northeast Administrative Committee and in the North China People's Government in 1948-49, later moved to Peking to help build up the centre.<sup>7</sup> In

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6. S.B. Thomas coined this phrase to describe the sending down of important CCPCC leaders to the GARs in op.cit., p.83.
  7. See H.A. Steiner's comments on the relation between North China administration and the new central government in "New Regional Governments in China", Far Eastern Survey, Vol. 18-19, May 1950, pp.112-116, especially pp.114-115.



the early life of the national state administration, the NCPG provided an organizational base for the creation of a national state structure, and many high-ranking personnel of the post-1949 Ministry of North China Affairs concurrently held positions in CPG ministries and committees. The personnel base at the top of the new state structure was further built up by the transfer in this period of leaders such as Ch'en Yün and Li Fu-ch'un from the northeast. By the end of 1954 all these leaders had returned to the centre.

If one were to attempt to establish a distinction between "regional" leaders and a central elite on the basis of formal position, the argument would not stand as the data reveal a high degree of concurrent office-holding, which transcended various levels of administration. To cite a brief example, 18 of the 34 (52.9 per cent) of the chairmen and vice-chairmen the NCAC, NEPGC, CSMAC, ECMAC, NWMAC, SWMAC were members of the highest state authority, the CPGC. Similarly 18 of the 34 (52.9 per cent) were regular or alternate members of the 7th CCPCC. 15 of the 34 (44.1 per cent) held down membership on the highest military committee, the PRMC. 10 (29.4 percent) concurrently held membership on all three committees, CCPCC, PRMC and CPGC. These percentages drop slightly when the 16 vice-chairmen, newly appointed to the GAR level in late 1952, are taken into account. After the 1952 reorganization, GAR representation at the centre stood at CPGC, 38 percent; CCPCC, 42 per cent; PRMC, 44.1 per cent. The drop in percentages undoubtedly reflects the pull to the centre of the first rank national leaders and the promotion of second-line GAR personnel, who had demonstrated their abilities as

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committee members and department heads.

The question, which continues to fascinate elite theorists and students of "regionalism" in China is whether or not an informal law of avoidance, such as was known in Ching administrative practice, is evident in the pattern of personnel circulation since 1949. Some scholars might argue that the presence of large numbers of personnel in the "newly liberated areas" of South China, who were native to provinces outside the regions in which they were posted, effectively demonstrates that indeed the national leadership feared "regionalism" and wished to insure local compliance through the placement of outside personnel in the localities of South China.<sup>9</sup>

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8. Listings of GAR level personnel are available in several sources; for example, a listing of the members of the NEPGC, NWMAC, ECMAC, CSMAC as well as several provincial listings is available in HHYP, Vol.1, No.3, 1950, pp.601-609. For the SWMAC, which was formed later than the other GAR committees, refer to JMST, 1951, Section IV, pp.34-37. An alternative listing of the early GAR committees, which is inclusive of former institutional identities of the personnel involved, is in Jen-min nien-chien, 1950, Section I, pp.34-43. A listing which appears in SCMP, No.494, January 17-19 1953, includes the provincial origins and institutional identities of NCAC (November 1952), ECAC, NWAC, SWAC, CSAC and NEAC personnel. This listing can be double-checked with the official Chinese listing in JMST, 1953. A listing of the pre-November 1952 NCAC is available in CB, No.161, February 20th 1952, pp.9-10. Several collected biographies were consulted to establish the career details of personnel under study. These biographies included the following; Klein and Clark, Biographic Dictionary of Chinese Communism, 1921-1965; Union Research Institute, Who's Who in Communist China, 1965; Gendai Chugoku Jimmei Jiten (biographical dictionary of contemporary China), Tokyo, 1957; Huan Chen-hsia Chung-kung chün-jen chih (A Biographical dictionary of Chinese Communist generals), Hong Kong, 1968.
  9. Refer to Ezra Vogel's argument, "From Revolutionary to Semi-Bureaucrat: The Regularization of Cadres", QC, No.19, January-March 1967, p.40.

On the contrary, one cannot assume a high percentage of "outsiders" means that locals were squeezed out of the embryonic state structure in the "newly liberated areas" and hence that a law of avoidance was operative. One might alternatively suggest that the large-scale transfer of personnel in Southbound Work Forces reflected the lack of political integration in the "newly liberated areas". In the absence of local State and Party structures and cadres, the export of policy-conscious personnel was a matter of absolute necessity. Indeed, "policy-level", (cheng-t'se shui-p'ing), becomes an increasingly important perspective when we turn to matters relating to the implementation of policies for agrarian reform, urban-rural trade and financial and economic unification. In so far as there was an underground network as well as organized activists, the Party could build on a local base, but one must take into consideration the narrow dimensions of that base.

One must also take into account the CCP's own definition of political integration. It is difficult to make meaningful reference to the law of avoidance, as it operated under the Ching dynasty, as the whole question was complicated by the relationship between Manchu and Han. More importantly, the CCP's view of political organization was fundamentally different from that of the Ching, and political integration, as understood by the CCP, meant mass assimilation of ideology. It was understood that ideological truth could not be imposed on a locality from without. These assumptions are especially explicit in the CCP's development of united front at the local levels even after a military victory had been won over the KMT, and similarly in the CCP's policy towards the national minorities.

In addition to this perspective on ideological assimilation being cultivated within the locality, as opposed to being imposed from without, we must also consider what has already been said in relation to CCP administrative strategy for national economic development. In terms of economic policy, the prevailing emphasis

on New Democracy involved the exploitation of all positive economic factors and the inter-relation of different types of economic organization. The general tendency towards multi-sided economic development was consistent with a well-developed perspective on the relation between large-scale and small-scale enterprise. In terms of the administration of economic organization, the CCP was historically predisposed to a flexible approach to policy formulation and implementation, which would maximize local initiative and expediency within the parameters of general policies, set out at the centre in accordance with overall national interests.

A law of avoidance would be ideologically unacceptable as it is suggestive of the maintenance of distance between cadres and masses and, thus, contravenes the CCP's mass line, but this does not mean that the CCP was unaware of localism; and it is not to suggest that personnel circulation was unaffected by a desire to insure regional compliance.

A review of the circulation of members of GAR MACs and People's Governments, would tend to confirm the contention that in personnel terms the GARs reinforced central administration. The members of GAR committees concurrently served as MAC department heads, deputy department heads, united front workers, leaders of regional popular organization and leading provincial administrators.

In terms of the GAR level, the operation of a law of avoidance is not particularly obvious. In fact the GARs, which demonstrated the greatest degree of regional mix in the composition of the top GAR committee, were North China and the Northeast; in other words, the greatest number of outsiders sitting on GAR government committees were to be found in the two GARs which encompassed most of the "old liberated regions". Of the 39 chairman and members of the NCAC of January 1st 1953, 16 came from provinces from outside of North China. 41.1 per cent of NCAC members were outsiders.

Similarly 37 of 68 (54.4 per cent) of the members and chairmen of the NEPG and NEAC originated from provinces outside the North-east, whereas, in the Southwest with its vast "newly liberated" area, the composition of the MAC was more indigenous to the provinces of that region. Only 21 per cent of the members and chairmen of the NWAC were from provinces from outside the Northwest. In the CSAC, the percentage stood at 30.5 per cent, and in the ECAC, 36.3 per cent.<sup>10</sup>

Of the 102 chairmen and members of the SWMAC and SWAC, the provincial origins of 88 are known. 31 of the 88 (35.2 per cent) came from provinces outside the SWGAR. Szechwanese provincials, who accounted for another 31 of the 88, dominated both the SWMAC and SWAC. The comparatively large membership of the SWMAC/AC reflected on the one hand the weakness of provincial organization, for example, responsible cadres of the Szechwan-Sikang Provisional Work Committee were included in GAR committee membership, while on the other hand, SWMAC/AC membership included comparatively more representatives of new united front organization, such as organizers from the SWGAR branch and provincial branches of the KMT Revolutionary Committee as well as organizers from the China Democratic League and China Democratic National Construction Association. Membership of the four MACs, which between them were responsible for the most of the "newly liberated areas", probably reflected a greater concern for united front organization, the development of which had lagged behind the PLA's swift advance south.

Given the weakness of provincial organization in the "newly liberated areas", it is not surprising that relatively more members of the Central-South, East China, Northwest and Southwest MACs/ACs

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10. See SCMP, No.494, January 17-19 1953, pp.1-27 for a comprehensive listing of Administrative Committee personnel.

became involved in provincial administration, whereas relatively more personnel of the NEPG/AC and the Ministry of North China Affairs and NCAC became involved in central administration. For example, at least 40 of the 102 personnel of the SWMAC/AC (i.e. 39.2 per cent) gravitated to CPG ministries, central PLA headquarters, national popular organization and NPC committees by the end of 1954, whereas another 37 focused on work at the provincial level.<sup>11</sup> By way of comparison note that 27 of the 39 (69.2 per cent) of the personnel of the NCAC moved to take up responsibilities at the centre by the end of 1954. Southwest committee members were, however, obviously involved in the build-up of the central headquarters of the PLA and in the creation of national level popular organization, the CPPCC and NPC. Six deputy ministers of CPG ministries as well as a member and vice-chairmen of the State Planning Council, had come from the SWMAC/AC, whereas two ministers, five deputy ministers and a vice-chairman of the State Planning Council as well as a chairman of the State Capital Construction Committee moved to the centre from the NCAC, the membership of which was half that of the SWAC. 32 of 53 (60.3 per cent) of NEPGC/AC members transferred to the centre in 1949-54.<sup>12</sup> The greatest concentration of industry was situated in the Northeast, and the planning of capital construction was more advanced there than elsewhere, hence it is not surprising that transferred Northeast personnel tended to dominate CPG departments of industry and planning.

As John Gittings has suggested, in the early years of the PRC regional military control varied in degree from region to region, but was most extensive in the Northwest and Southwest.<sup>13</sup>

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11. The details of some careers were either insufficient or lacked specificity, hence only 77 members are dealt with.
  12. See appendix for a list of key Northeast personnel who moved to important posts in the CPG.
  13. John Gittings, The Role of the Chinese Army, p.270.

What is particularly striking in terms of personnel circulation is the level of inter-system co-optation, which existed in those years. Given the weakness of local Party and State organization, there was a tendency in the Southwest to co-opt military personnel into the nascent state structure; however, this type of co-optation also occurred in urban China.

The Military Control Commission in the cities acted as a half-way house, facilitating the transfer of military personnel to the state system. The high level of concurrent office-holding on the part of personnel, holding down positions in both the MCCs and parallel municipal governments facilitated the relatively smooth transfer of power in the cities. That a smooth transition from military control to civilian rule took place everywhere in China effectively argues against theoretical perspectives suggesting either a new form of warlordism or a struggle for power between the PLA and CCP.

Inter-system co-optation appears to have proceeded on a rational basis. A review of the membership of the SWMAC Economic and Finance Committee establishes that 13 of 44 members were co-opted from the PLA. One can compare these military personnel with committee members, who had had previous experience in state administration. Five had previously worked in state offices of Special Districts. Three had had banking experience, and another three represented state-owned enterprise, and one came from the Southwest state trading organization. Most of the 13 military officers had previous experience in finance and economic administration within the army. Five had been co-opted from rear service departments, which of course were involved in the allocation of supplies and communications. Four members had been moved from MCC economic and finance departments. Two came from PLA political departments, and the remaining two were former KMT generals, who had gone over to the CCP.<sup>14</sup>

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14. Appointments approved by the 8th meeting of the CPGC, JMJP, August 6th 1950, p.5.

By way of contrast, the nine members of the 68-man Educational and Cultural Affairs Committee of the SWMAC, who had been co-opted from the PLA, came from army departments, which handled educational and cultural matters. Five of the nine were from political departments, two from health departments; one was a vice-principal of a Northwest military academy, and the ninth man was a military historian.

The question of "regionalism" in China in the early 1950's has received a great deal of attention in the light of the Kao-Jao Affair. Indeed, Mao commented in his speech, "On the Ten Great Relationships" of April 25th 1956, on this question, linking the abolition of the GARs and the Kao-Jao Affair when he said:

"Take our own experience, the system of the greater administrative area instituted in the early days of our Republic was a necessity of that time, and yet it had shortcomings which were later exploited to a certain extent by the Kao Kang-Jao Shu-shih anti-Party alliance. It was subsequently decided to abolish the greater administrative areas and put the provinces directly under the central authorities; that was the correct decision. But neither was the outcome so satisfactory when matters went to the length of depriving the localities of their necessary independence."<sup>15</sup>

Mao did not at that time elaborate as to what these "shortcomings" were, nor did he repudiate the GAR structure, itself; it had been a "necessity". That he did not explicitly repudiate the GAR structure is not surprising in consideration of the fact that this structure was an extension of united front organization and its organization reflected administrative emphases, which originated in the Yen'an period. The fact that "shortcomings" had been "exploited to a certain extent" should be weighed in the balance along with a consideration of the June 1954, eulogy on the impressive contributions made by this level of administration in furthering national political and economic integration.

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15. My thanks to Professor Stuart Schram for bringing this statement to my attention. See Peking Review, No.1, January 1st 1977, for an official English translation of the text. The reference here is to p.17.



How do we interpret the Kao-Jao affair? Is Kao to be viewed as a shadowy figure who made a bid to capture the centre from the remote fastness of his mountain-top kingdom in the Northeast? One must also ask whether there were any proven instances in which Kao had favoured regional over national interests.

Kao Kang in the early 1950's was as much a "national" leader as Lin Piao or Peng Teh-huai. His appointment as Chairman of the State Planning Committee in November 1952, as well as the transfer of Jao Shu-shih to Peking to head the CCPCC's Department of Organization should be viewed as examples of circulation within the overall context of "federalization" of the central executive machinery. As the process of political integration in the various regions became more advanced, more and more GAR leaders were pulled into the centre to participate in the reorganization of central ministries, in the preparations for the planning of large-scale capital construction, the drafting of the constitution and the preparations for nationwide elections. There is, therefore, reason to doubt folk wisdom such as: "When you take the tiger from the mountain, he is finished".<sup>16</sup>

The chairmanship of the State Planning Committee was of no small importance, hardly to be used as bait to lure the "tiger" from the mountain. It was a pivotal position in relation to the drafting of the First Five Year Plan; and the committee was on a par with and not subordinate to Chou En-lai's GAC. Kao's leadership of the rear base area of the Korean War had qualified him for promotion as a vice-chairman of the PRMC in November 1951. His experience in overseeing the planning of the greatest regional concentration of capital construction in China qualified him to chair the new national planning organization.

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16. For an example of a reconstruction of the Affair, based on such a scenario see Albert Ravenholt, "Feud Among the Red Mandarins . How Kao Kang and Jao Shu-shih Challenged their Comrades", American University Field Staff Reports, East Asian Studies, Vol.XI, No.2, 1964.

The confrontation between Kao Kang and his colleagues on the Politbureau came to a head at the fourth plenary session of the seventh CCPCC in February 6-10 1954. Mao was conspicuously absent, and Liu Shao-ch'i took charge of the proceedings. The main theme of the session was "dispersionism", and a resolution was duly passed emphasizing Party unity. Kao was not named, but the resolution specifically called attention to the fact that there were cadres in the Party who had forgotten Party principles. Puffed up with pride, these preening cadres would only talk of their achievements, and they rejected criticism and self-criticism. They even viewed their own departments and areas as their "independent kingdoms".<sup>17</sup> The resolution warned that CCPCC members and Party committee members of the provincial level and above are particularly responsible for insuring Party unity.

A leading article by Yang Hsien-chien, which subsequently appeared in the March issue of Hsueh-hsi, focused on the resolution and eulogized the importance of collective leadership (chi-t'i ling-tao). Referring to the authoritative Politbureau decision of September 1st 1942, Yang stressed the Party's tradition of "centralized and unified leadership of the base areas". Yang charged that there were high-ranking Party cadres, who had forgotten historical materialism and who had stressed the role of heroes.<sup>18</sup> This inference to a certain person or persons dwelling on the heroic individual's role in history undoubtedly relates to later disclosures that Kao Kang had perpetrated the "theory" that there were two parties, that of the "revolutionary bases and the army" and that of the "white areas". Presumably, Kao had attempted to

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17. See "Chung-kuo kung-chan-tang ti ch'i chieh chung-yang wei-yüan hui chu-hsing ti-szu tz'u ch'üan-t'i hui-i ti kung-pao", (Communique of the fourth plenary session of the 7th CCPCC), dated February 18th 1954, in HHYP, No.3, 1954, pp.9-11, especially p.11.
  18. Yang Hsien-chien, "Chi-t'i ling-tao shih tang ti ling-tao ti tsui-kao yüan-tse", (Collective leadership is the highest principle of Party leadership), reproduced in HHYP, No.3, 1954, pp.13-15, and available in SCMP, No.778, March 31st 1954, pp.1-6.

capitalize on his role as a guerilla leader in the Shen-Kan-Ning Border Region.<sup>19</sup>

On March 31st 1955, Kao was publicly named, and it was then disclosed that he had committed suicide "as an ultimate expression of his betrayal of the Party".<sup>20</sup> On March 31st, Mao commented at length on the Kao-Jao Affair at a national conference of the Party. He was concerned over confusion within the Party, particularly as some cadres could not see the link between Kao and Jao Shu-shih. His remarks suggest that there was some disquiet over the fact that there was no written evidence, indicating an "alliance" between the two. Mao repeatedly emphasized that the conspiracy was to be viewed in terms of an "anti-Party alliance", and not simply as two separate instances of "independent kingdoms".<sup>21</sup>

If we were to define "independent kingdom" on the basis of what Mao had said on this occasion, the definition would relate almost exclusively to the creation of an "anti-Party alliance" (fan-Tang lien-meng). Mao defined "anti-Party alliance" in crude terms of political manoeuvring by Kao Kang within the Politbureau. It is important to note that Kao was not a "regional" leader trying to assault the "centre" from the outside. Perhaps the most significant revelation in this respect had to do with an alleged plot on the part of Kao and Jao to circulate their own list of Politbureau members to leading cadres in the CCPCC Organization Department, as well as to unnamed persons in southern

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19. See "Resolution on the Anti-Party Bloc of Kao Kang and Jao Shu shih", in Documents of the National Conference of the Communist Party of China, Peking, 1955, p.14. Chinese text available in HHYP, No.5, 1955, pp.2-3. Also see Klein and Clark, Biographic Dictionary of Chinese Communism, Vol.1, p.434.
20. "Resolution on the Anti-Party Bloc...", op.cit., p.14.
21. See Mao Tse-tung's concluding remarks at the National Conference of the CCP, March 31st 1955, in Mao Tse-tung, Mao Tse-tung hsüan-chi, (Peking, 1977), Vol.V, p.146.

provinces.<sup>22</sup> Mao informed the conference that there had been two headquarters in Peking. One headquarters had been operating in an open and above-board fashion in broad daylight under his leadership, while a second headquarters had operated surreptitiously behind other people's backs under another leadership.<sup>23</sup>

Mao did not develop his comments in terms of a conflict of line over policy emphases as opposed to the style of Party life and Party principles. The draft of the First Five Year Plan was presented at the same national conference, which passed the March 31st resolution condemning Kao and Jao to the halls of infamy in Party history. The opportunity passed and no relation was developed between the plan and the Kao-Jao Affair. The resolution, which was passed on the same day as Mao gave his speech, played down policy and emphasized "unprincipled" struggle for power:

"The characteristic of the anti-Party bloc of Kao Kang and Jao Shu-shih was the fact that they never openly put forward any programme against the Central Committee of the Party in any Party organization or at any Party meeting or among the public. Their only programme was to seize supreme power in the Party and state by conspiratorial means."<sup>24</sup>

The resolution noted further Kao Kang had advocated the reorganization of the CCPCC and CPG so that he, himself, would become secretary-general or vice-chairman of the CCPCC and premier of the State Council.

A Jen-min jih-pao editorial of April 10th, announced a great victory in the history of the party and noted:

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22. Ibid., pp.146-47.

23. Ibid., p.147.

24. "Resolution on the Anti-Party Bloc of Kao Kang and Jao Shu-shih", op.cit., p.16.

"If they had come out openly against the leadership of the Central Committee, their anti-Party conspiracy would at once have been exposed to the Party and the people, and they would have met with ignominious defeat. That is why they didn't dare publicly to bring forward any programme or principle in opposition to the Central Committee of the Party; on the contrary, on formal occasions, they were loud in professions of loyalty."<sup>25</sup>

The editorial did not define any specific policy dispute, but concentrated on the Affair in generalized terms, portraying it in terms of a hugger-mugger attempt at counter-revolution.

The conference resolution of March 31st had in fact developed this theme of counter-revolution as it declared the conspiracy had had "deep historical and social roots".<sup>26</sup>

The conspiracy was said to reflect the "sharpness of class struggle" and an intensification of struggle between the forces of imperialism and socialism. Party history is replete with examples of "good" men, who were belatedly discovered to have been "bad" throughout their entire Party careers. Kao and Jao opposed Mao, hence they were the "agents of the capitalist class within our Party".<sup>27</sup>

The visible reckoning, subsequent to Kao's disgrace, seems to have been confined to the CCPCC's Northeast Bureau. Only two of the 68 members of the NEPG/AC were dismissed, and Mao's reckoning did not fundamentally affect the pattern of transfer of highly placed northeast government personnel, who had been at the forefront of planning, to the committees of the CPG.

When Kao took up the chairmanship of the State Planning Committee, he brought with him into the committee, Ma Hung, a deputy secretary of the NEB, and An Chih-wen, deputy director of

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25. "Tang-ti li-shih shang ti chung-ta sheng-li", "A great victory in the history of the Party), JMJP, April 10th 1955, reproduced in HHYP, No.5, 1955, pp.6-7; and translated in Documents of the National Conference of the Communist Party of China, p.49.
  26. March 31st 1955, resolution, Documents of the National Conference of the Communist Party of China, p.15.
  27. Ibid., p.16.

the NEPG Department of Industry. Ma was implicated in the Affair and was not appointed to the new State Planning Council of November 1954, which incidentally was placed under the jurisdiction of the new State Council. One can only speculate as to why the State Planning Committee had originally been placed on par with the GAC. It might be interpreted as a mutually agreed-upon division of labour between Kao Kang and Chou En-lai or as a concession to Kao Kang's increasing influence within the centre. An was promoted to become vice-chairman of the State Capital Construction Committee. Also, despite the Kao-Jao Affair, Ku Chuo-hsin, a former vice-chairman of the NEAC's People's Economic Planning Committee, became a vice-chairman of the new State Planning Committee. Despite the Affair, Ni Wei, former deputy director of the NEPG Department of Finance, Liu Ming-fu, former deputy secretary-general of the North-east People's Planning Committee took up responsibilities as members of the new national planning organization.

The March 31st resolution named seven men, who were allegedly implicated in the Affair. One immediately notes that only one of the seven had the same provincial origin as Kao Kang. More important, however, is the fact that the link which drew together six of the seven was service as high-ranking cadres of the NEB. Four of these six had held top posts in the NEB's Department of Organization. In his March 31st comments, Mao drew attention to the fact that Jao Shu-shih was head of the CCPCC's Organization Department, and that this department had taken Kuo Feng as its "core" (ho-hsin). Kuo had been prominent in the NEB's Organization Department, and we might reasonably infer that he was one of the most important links between Kao and Jao.

The documentation is not specific as to the nature of the conspiratorial relationship between Kao, Jao and the seven fallen comrades. It is not certain whether their crime was having failed

to fulfil their responsibilities in investigating a violation of Party discipline, or whether they actively conspired against Mao, or the Party. An editorial, which appeared in the Jen-min jih-pao on April 10th, referred to "certain comrades" who were aware of Kao and Jao's "anti-Party slanders", but failed to warn these two to put their views to the Party formally.<sup>28</sup>

One of the most important repercussions of the Affair was the reorganization of the Party's structure for investigation of infractions of the Party's principles. The Party had failed to investigate, itself, and here we may have touched upon the "shortcomings" that Mao referred to in his April 1956, reference to the Kao-Jao Affair and the GARs. A Jen-min jih-pao editorial of April 14th argued that one of the lessons to be learned in relation to the Affair was the importance of systematic "investigation" (chien-tu) to insure against problems of Party discipline particularly in a time when the process of socialization was getting under way. The paper cited the failure of the NEB's Disciplinary Inspection Committee in exposing Kao Kang:

"The former discipline inspection committee of the Northeast Bureau of the Party's Central Committee is a case in point. This inspection committee was under the direction of Kao Kang, ringleader of the anti-Party bloc. His followers Chang Hsiu-shan, Chen Po-tsun, and Kuo Feng held concurrent positions as secretary and deputy secretaries of the same committee respectively. Because of this, the committee could not check on Kao Kang's anti-Party activities and could not work according to Party principles."<sup>29</sup>

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28. April 10th JMJP editorial in HHYP, No.5, 1955, p.7.

29. "Tung-yüan ch'üan-tang ch'üan-min t'ung huai-jen huai-shih tso tou-cheng", (Mobilize the whole Party and the whole people to struggle against bad men and their misdeeds), JMJP, April 14th 1955, translated in Documents of the National Conference of the Communist Party of China, p.60.

It was decided at the conference to replace the old structure of central and local discipline inspection committees (chi-lu chien-ch'a wei-yüan hui) with a new structure of central and local control committees (chien-ch'a wei-yüan hui). The Jen-min jih-pao editorial of April 14th underlined the need to strengthen the investigation process so as to prevent a reoccurrence of the Kao-Jao style of conspiracy, and at the same time it was stressed such a strengthening was especially necessary in the light of the fact that contradictions within and without the Party would become more sharp as the process of socialization of agriculture and industry became more advanced.

The editorial drew attention to the conference decision to grant a local control committee the right of appeal against a decision taken by a Party Committee of the same level to the Party Committee at the next highest level, noting that the former discipline inspection committees had been too much under the control of the Party Committees at the same level. It was claimed that Hsiang Ming, the only one of the seven implicated in the Affair who came from East China, had used his position as second secretary of the Shantung Sub-Bureau to restrict the action of the discipline inspection committee attached to the Shantung-Sub-Bureau. He had practically expelled from Shantung personnel sent by the Central Discipline Inspection Committee.<sup>30</sup>

There will be further opportunity to discuss problems of concurrent office-holding and "officials protecting officials" in relation to action, taken by GAR level discipline inspection committees during the Three-Antis Campaign, but it would seem crucial to our discussion of "regionalism" to comment further on this reorganization of 1955. The reorganization of the Party's investigatory structure did not offer an institutional solution to the problem of leadership conflict within the centre. Kao Kang

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30. Ibid., p.60.



was not simply a regional satrap; he was part of the centre. An investigation of any violation of Party discipline on the part of a man, who concurrently acted in his capacities as Chairman of the State Planning Committee, Vice-Chairman of the CPGC, Vice-Chairman of the PRMC and a member of the CCP's Politbureau,<sup>31</sup> would have had to be instigated by the Central Disciplinary Inspection Committee!

The reorganization was consistent with the time-honoured principles of "unified Party leadership" and democratic centralism in that it insured compliance of local levels to higher levels. The right to pronounce on any case was reserved to the next higher level of leadership. Even within the context of the disciplinary inspection committees, these principles had been successfully applied to reduce the potential development at local levels of conscious or unconscious challenges to Party discipline, but neither the old nor new structures of investigation offered an institutional solution to leadership conflict within the centre. According to the principle, "unified Party leadership", all power was concentrated in the CCPCC; there was no higher level of Party Committee to which to appeal; there was no other outside institutional agency to which to make an appeal. "Independent kingdomism", defined in terms of local leadership levels resisting the centre, could be dealt with through the application of "unified Party leadership", but what was and still is the source of the greatest political instability in the PRC is the problem of "independent kingdomism", or more precisely "departmentalism" within the centre.

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31. There is uncertainty as to when Kao Kang became a member of the Politbureau. Klein and Clark, Vol.1, p.433, assert that Kao was definitely a Politbureau member at the time of his appointment in November 1952, as Chairman of the State Planning Committee. The US Consulate General's list of November 1951 in CB, November 15th 1951, p.5, identifies Kao and Tung Pi-wu as "probable" members.

The precipitious fall of Kao Kang had an adverse effect on the quality of intra-Party debate over policy issues, and Mao, in April 1956, pointed to the fact that the purge of Kao Kang had contributed to a muting of democratic centralism. He suggested that his colleagues draw a distinction between the proceedings of a recent conference on financial and economic matters and those of the February 1954 plenary session of the CCPCC. In the following statement, Mao called for a more genuine exchange of views:

"Before the fourth plenary session of the Central Committee, there were certain instances of political sabotage, and we had to deal with this. We had to clear away the Kao-Jao subversion, but now some people stick to the finest details and do not speak out on national issues. We must make a clear distinction between the two kinds of national affairs. On the one hand there is that such as Kao-Jao which is subversive of the state while on the other there is that which is conducive to the proper functioning of the state and of which we must talk at length. During the economic and finance conference some comrades adopted the wrong line of discussion and were criticized for it, but this must be distinguished from the Kao-Jao matter."<sup>32</sup>

Furthermore, Mao was concerned lest the Kao Kang Affair have an effect of furthering centralization at the expense of local creativity and initiative; he noted early in his remarks:

"If the various localities want a division of powers, they should not be afraid of creating a disturbance over the aspect of independence. The centre has yet to make a decision, and the matter is open to discussion. The various localities can initially put forth articles, small points of principle, methods and constitutional statutes. We want to encourage creativity and liveliness in the various localities."<sup>33</sup>

Later in his remarks, Mao again focused on the ramifications of the Kao-Jao Affair in the context of the division of labour,

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32. Mao Tse-tung, "Tsai chung-yang cheng-chih chü kuang-ta hui-i shang ti chiang-hua", (Speech at an enlarged meeting of the Politbureau), April 1956, Mao Tse-tung ssu-hsiang wan-sui, 1969, pp.35-36.

33. Ibid., p.35.

which was to prevail in economic organization. He reaffirmed the Party Committee system, but urged everyone to study the ways in which the division of labour necessitated a certain degree of independence, and he noted:

"We [probably meaning the Politbureau] are not Kao Kang's independent kingdom. On the contrary we should encourage open, legal "independent kingdoms" (not above the constitution) and only then can we managed things well, otherwise we won't be able to manage anything well."<sup>34</sup>

In the context of the Kao-Jao Affair, the primary connotation of "independent kingdom" was conspiracy. "Independent kingdom" was a pejorative epithet, used in relation to the denial of "collective leadership". Cadres who had failed to honour the principles of Party life, and who had failed to submit their views for democratic discussion, could be said to be guilty of "independent kingdomism", thus the Jen-min jih-pao used the term in relation to the fourth plenary session resolution as follows:

"As to those who resort to covert or over suppression and retaliation against critics, they have actually become kings of "independent kingdoms" and already made themselves unworthy of the title of Communist Party member...."<sup>35</sup>

The term is used to identify "bad" comrades with KMT political practices, but there is little evidence to suggest a meaningful parallel between the political situation in the KMT era and the situation in China as of February 1954.

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34. Ibid., p.37.

35. "Study the Resolution of the 4th Plenary Session and Properly Develop Criticism and Self-Criticism", SCMP, No.779, April 1st 1954, pp.1-4, from JMJP, March 22nd 1954.

## IV

THE DYNAMICS OF POLICY IMPLEMENTATION IN  
THE ADMINISTRATION OF A NATIONAL ECONOMY

i) Administrative Strategy and Policy Emphases in the Early 1950's

The CCP's theory of leadership and philosophy of administration have already been discussed in general theoretical terms; however, it remains to be seen how practice related to theory in post-liberation China. A discrete review of the CCP's attempt to create and administer a new national economy will hopefully shed some light on this question of relating theory and practice.

This relation is described in terms of the CCP's ability to overcome administrative distance in the course of creating a national economy, and of particular relevance to an assessment of this ability is the extension of the concept of democratic centralism to the sphere of state administration. Whether one chooses to treat this notion as essentially a borrowing from Lenin, or as an example of a foreign transplant, which was totally transformed in the soil of Chinese genius, there can be no doubt as to its significance in terms of the ultimate resolution of the difficulties of administrative distance in modern China.

To narrow the parameters of our inquiry and sharpen the focus of discussion, this chapter has been divided so as to treat three important areas of administration, in which the Greater Administrative Regions were actively involved, namely, the unification of economic and financial work, the restoration and development of urban-rural trade interflow and the initial planning efforts in economic construction.

In imperial China, although the government bureaucracy achieved a very sophisticated degree of development, control of the economy was, nonetheless, uneven and often varied in terms of the distances between different areas and the capital. Often the capital achieved

control over one "key economic area",<sup>1</sup> but control in other areas tended to be more haphazard. Traditional perspectives on the economy to a large extent were determined by the need to supply the imperial bureaucracy, while at the same time insuring the population a sufficiency of food. The CCP's perspectives of course were more complex. The Party was committed to the development of a truly national economy. In 1949, the leadership hoped to capitalize on existing concentrations of heavy industry in the northeast. From the point of view of short-term strategy the particular concentration would serve as a base for national economic development, but the long-term goal, nonetheless, represented a transposition of perspective on border region self-sufficiency to the plane of national economic development. There was then a long-term commitment to the development of all regions of China, not only in terms of agriculture and the supply of food, but in terms of industrialization.

Aside from obvious political factors such as the development of organizational techniques for mass mobilization, it would seem that the basic distinctions between "traditional" and "modern" China relate to the multiplication of the economic functions of the state and the degree and pervasiveness of state intervention in the economy. We will want to pursue the political aspects of the multiplication of functions and expansion of economic organization. Questions as to how well policy is communicated to the great mass of cadres, to what degree does policy formulation and implementation take into account concrete conditions at the local levels are important, especially in terms of the political complexities of New Democracy.

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1. See Chi Ch'ao-ting, Key Economic Areas in Chinese History, passim. The thrust of Wittfogel's research might seem to suggest a high degree of central economic control; however, recent research focuses on the variety and multiplicity of water conservation works, the bulk of which was undertaken without reference to the centre, hence the level of intervention by the centre in the localities was the exception rather than the rule. See Mark Elvin, "On Water Control and Management during the Ming and Ching Periods," Ch'ing-shih wen-t'i, Vol.3, No.3, November 1975, pp.82-103.

The process by which separate border region economies were integrated into larger liberated economies did not commence until late 1948. As of October 1st 1949, the new central government had yet to effect its control over a national economy. The vast areas, south of the Yangtze, which came under the CCP's control during the PLA's lightning advance, had experienced only a semblance of economic integration under the KMT, the level of economic integration reflecting a low level of political integration.<sup>2</sup> The land tax had been under provincial control and many provincial authorities and warlords enjoyed a degree of fiscal independence, which varied from place to place depending on the need of KMT funds to ward off CCP infiltration and advance.

In North China, the CCP had prosecuted the war on the basis of self-reliance, and the tendency to encourage the development of self-sufficient border region economies was explicit in the proliferation of different currencies. The question as to what extent the CCP's border region experience could be judged as appropriate to the process of national economic integration has yet to be answered. There were unquestionably problems in that certain specific border region practices inhibited the process of integration in the early 1950's. In terms of the interflow of trade, for example, leadership cadres had to overcome the tendency on the part of local cadres towards self-reliance, which inhibited the circulation of goods outside their localities. Fiscal policies associated with the border region supply system inhibited the introduction of new systems of economic accounting necessary to economic planning.

Much of the ensuing inquiry related to the CCP's ability to use the tools of finance and "modern" business practice to further the process of national economic integration. In the imperial context, the remission of tax revenues was often patchy due to extensive decentralization in tax collection and the non-separation of central

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2. See Hung-mao Tien, Government and Politics in Kuomintang China 1927-1937.

and local revenues. We will want to review the CCP's struggle to implement a centralized budgetary process, guaranteeing the rational remission of revenue to the centre, but we shall also want to pursue a second perspective, which will hopefully raise the subsequent analysis above the level of a discussion of the minimal requirements for national economic integrity so that we can deal with controversial aspects of state control over the national economy in terms of the developing socialization of industry and commerce.

It is useful to approach the above perspectives with reference to the wealth of documentation relating to the administrative activities of the various governments of the Greater Administrative Regions. These governments played a significant role in the achievement of national economic and fiscal unification during the years of economic restoration. As of November 1952, we can assume a national budget and central economic and fiscal integrity; however, the relation of the five sectors of the economy was not the same in all regions of the country — a factor which fundamentally affected the formulation of the First Five Year Plan. Also differences in the level of economic integration between various parts of the country undoubtedly had a direct bearing on the debates within the CCP as to the pace of socialization in industry and commerce, and the degree to which the state sector would not only lead but expropriate other sectors of the economy.

Given the perspectives, introduced above, what significance can be ascribed to the Greater Administrative Regions? This level of administrative provided much needed flexibility in the implementation of the central government's policies in areas, differentiated by varying degrees of political and economic integration. In the introductory chapters, the flexibility of Chinese Communist administrative philosophy was reviewed in terms of its relation to military strategy. The problem of administrative distance was met through a centralization within a dual framework of administration.

The CCP approached the problem of regional differences in political and economic integration with a threefold distinction. In terms of unevenness in cultural construction and agrarian reform, the CCP adopted different tactics to cope with differences between "old" and "semi-old" and "newly liberated areas", whereas in terms of economic development, there was the tendency to distinguish advanced, intermediate and backward areas — a distinction, which was consistent with the demarcation of the "co-ordinated economic regions" in July 1957. The threefold distinction is basic to the CCP's administrative tactics; for example, experience gained in advanced areas or key points serve as a yardstick for intermediate and backward areas, and the momentum achieved in one area, propelled other areas forward.<sup>3</sup>

In the context of shattered provincial administration, the Greater Administrative Regions, which were structural duplications of the central government, made a significant contribution to, on the one hand, overcoming the administrative distance between centre and localities, and on the other to overcoming the disparities between "old", "semi-old" and "newly liberated areas" within GAR jurisdictions.

To meet the problems of administrative distance, the CCP's central committee was divided up into several teams, charged with the responsibility for running several supra-provincial governments.<sup>4</sup>

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3. Hence it was argued in the introduction that at the time of administrative demarcation in 1949, there was an attempt to include as much "old liberated" sections in East China, Central-South and North-west China as possible. The idea of using a key-point as an entering wedge in predominantly "newly liberated regions" is particularly relevant to the way in which the agrarian reform campaign unfolded in various parts of the country. See Chapter Five of John Wong's Land Reform in the People's Republic of China.
  4. In October 1966, Mao touched briefly on the division of the centre in the late 1940's: "After the Seventh Congress there was nobody at the Centre. When Hu Tsung-nan marched on Yen-an the Centre was divided into two armies, I was in North Shensi with En-lai and Jen Pi-shih; Liu Shao-ch'i and Chu Te were in the north-east. Things were still relatively centralized. But once we entered the cities, we were dispersed, each devoting himself to his own sphere." ,Stuart Schram, (ed.), Mao Tse-tung Unrehearsed, p.267.



This pattern was essentially a repetition of what had happened with the Japanese surrender in 1945 when one third of the CCPCC was assigned to lead 20,000 cadres in the North

In the early '50's, there were chronic shortages of experienced cadres at all levels and in all departments; for example, according to Po I-po at least ninety per cent of the government's tax collectors were retained KMT personnel.<sup>6</sup> Similarly high percentages prevailed at all levels in judicial departments. The division of China into GARs was especially compelling, given the problem of control, which arose with the generous co-optation of KMT personnel in the course of the application of the Peiping and Suiyuan patterns of military conquest. During 1948-49, the Party had ordered the transfer of 100,000 cadres from "old" to "newly liberated areas"; however, this number was hardly adequate to cover the administrative areas involved. There was a tremendous problem in terms of "policy level" (cheng-t'se shui-p'ing), or awareness on the part of cadres as to the details of government policies. Simple announcement of policy by the central government was not enough to insure implementation in all regions in a uniform manner. A continuing process of education in government policy — a process which would bring together practice and theory — was necessary at all levels.

In the early '50's, the problems of "policy level" existed at the highest levels, even within the first grade administrative machinery of the GARs. The following mea culpa by Wang Ti-min, director of the Office of Capital Construction of the Economic and Finance Committee of the ECMAC, briefly illustrates this point:

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5. NCNA, Peking, November 22nd 1953, in SCMP, No.699, December 2nd 1953, pp.11-16.
  6. Po I-po, "On the Question of Tax Readjustment", June 15th 1950, second session of National Committee of the Chinese People's Political Consultative Conference, in New China's Economic Achievements, p.81.

"It should be admitted that in the past three years, the various grades of leadership in the East China region, including the East China Committee of Economic and Financial Affairs, did not adequately understand and estimate fully the importance, the comprehensiveness and difficulties of capital construction. Still less did they raise capital construction to the level of political principle and correctly exercise ideological leadership."<sup>7</sup>

One of the most important administrative techniques, used to overcome the problems of administrative distance was the elaboration of a conference system. In his closing speech to the second session of the National Committee of the CPPCC on June 23rd 1950, Mao drew out the importance of conferences as a means of furthering administrative democratic centralism:

"Not only have members of the National Committee of the People's Political Consultative Conference taken part in the discussion but also many of the personnel of the Central People's Government, People's Governments, or Military Administrative Committees of the various Greater Administrative Regions and people's governments of the provinces and city people's conferences of all circles.... Thus we are able to draw together opinions from far and near, review our past and determine out future principles of work. I hope that the People's Government, or Military and Administrative Committees of the Greater Administrative Regions, provinces and cities will also adopt this method."<sup>8</sup>

If, in the early 1950's, state structure was especially characterized by an emphasis on the horizontal co-ordination and mutual inter-relation of departments of different systems under local committee structures, the most characteristic feature of the functioning of the state structure was the conference system. Conferences served as the means for educating cadres and various

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7. Wang Ti-min, "East China's Capital Construction in the Past Three Years and Present Problems", CFCP, Shanghai, November 16th 1952, in C.B., No.221, February 1st 1953, p.8.
  8. See Mao Tse-tung, "Tso i-ko wan-ch'uan ko-ming p'ai", (Work for a complete revolutionary representation), Mao Tse-tung hsüan-chi, Vol.5, Peking, 1977, p.25. Translation provided in Summary of NCNA News Despatches, Supplement, No.3, June 28th 1950, p.1.

representatives from different circles on general principles of government policy. It was at these conferences that cadres hoped to maximize "local expediency", gain necessary information as to local conditions and work out the mechanics of policy implementation.

The conference system was consistent with the united front emphasis on democracy and not only brought together related government departments, but also the representatives of different citizens' bodies and popular organizations. To cite a brief example, if we take the fourth plenary session of the CSMAC, which met in November 1951, it will be noted that not only 73 of the 95 MAC members were in attendance, but also there were large numbers of observers and representatives of different circles. The plenary session of the MAC acted as a miniature People's Political Consultative Conference in conformity with Mao's instruction above. The following breakdown of the delegates is instructive and invites conjecture as to the significance of Mao's early notion of a "great union of the popular masses", for the idea of representation by "circle" seems to outweigh considerations of "class" in the 1949 elaboration of structure supporting the people's democratic state power:<sup>9</sup>

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9. For the breakdown of the membership of this particular plenary session see "The Situation in the Central-South Region", CB, No.157, February 8th 1952, p.4. The idea of representation by circle was crucial to the development of people's democratic state power. As for the origins of this notion of representation one can go back as far as Mao's "The Great Union of the Popular Masses", written in summer, 1919. Mao then linked all manner of groupings in the cause of Chinese nationalism, hence he wrote: "'Groups' and 'societies' are precisely the 'unions' I am talking about. There are big groups and small groups, big societies and small societies, big unions and small unions -- they are merely different names for the same thing". Refer to Professor Stuart Schram's translation of this article in CQ, January-March, 1972, pp.79-80.

Members of MAC departments: 35  
Members of committees under the MAC: 32  
Members of provincial/municipal governments,  
not on the MAC: 3  
Representatives of disabled servicemen: 11  
Representatives of PLA units in Central-South: 11  
Representatives of workers and railway man: 101  
Representatives of old revolutionary bases: 45  
Representatives of national minorities: 15  
Representatives of democratic parties and groups: 18  
Representatives of youth and student circles: 9  
Representatives of women's circles: 11  
Representatives of industrial/commercial circles: 60  
Councillors of the MAC: 34

Obviously, the circles represented at various plenary session would receive more or less weight depending on the type of business before the MAC.

The GAR governments derived from the matrix of united front, and this fact was not only reflected in the composition of the MACs, but also in the emphasis on conference techniques; for example, on July 15th 1950, Tseng Shan in his capacity as Vice-Chairman of the ECMAC and Chairman of the ECMAC Economic and Financial Affairs Committee stressed the importance of consultation in preparatory conferences; the following comment stands as an elaboration on Mao's instruction:

"The various finance and economic agencies are just now engaged in calling a series of specialized conferences to effect systematic readjustment of industry and commerce of the entire nation, and have enjoined finance and economic units of East China to invite industry and commerce personages of various places to hold preparatory conferences. We ought to listen fully to the views of various local representatives and discuss them carefully order to insure the success of these conferences."<sup>10</sup>

In the third section of this chapter, there will be opportunity to discuss how a conference system was created to deal with the problem of domestic trade. It was in the context of the GAR conferences for the interflow of urban-rural trade that state commerce, co-operatives and private commerce intermeshed. The conference was

10. Tseng brought up the point at the second plenary session of the ECMAC. See CB, No.11, September 28th 1950, p.9.

more than a passive exercise in education and propaganda, and to a certain extent was meaningful in terms of both a bottom-to-top and top-to-bottom exercise in actual administration.

In the fiscal sphere, taxation policy was hammered out at national conferences, attended by representatives of the GARs and provinces. The delegates at the conference would rough out the tax assignment for each of the GARs. At subsequent finance conferences at the GAR level, representatives of GAR, provincial and municipal departments would break down the regional assignment, allocating specific fiscal burdens to specific provinces and cities.

In terms of their structure of representation, the various conferences furthered co-ordination between different systems and helped to bridge the gap between different levels of administration. The high degree of concurrent office-holding and the tremendous inter-system overlap of personnel undoubtedly contributed to a smoother working relationship between different levels and systems.

The foregoing discussion sheds some light on the question as to how the CCP approached the problems of administrative distance. Emphases on dual structure, particularly the co-ordination of different systems within the context of government committee structures and the elaboration of a conference system, which was to maximize "local expediency" and capitalize on the organizational thrust of united front, were central to the CCP's strategy to overcome administrative distance. The GAR structures were consistent with this strategy. Supra-provincial administration was particularly necessary in the light of (a) a weak central government complex, resting on a narrow institutional base, provided by the former North China People's Government, and (b) the shattered provincial administrations of "newly liberated" China. In terms of the above strategy, the GARs could act to cut down administrative distances and to adopt CPG policies to specific regional differences in the pattern of political and economic integration.

Before moving on to a consideration of the relation between administrative strategy and practice, it would seem appropriate to discuss here the general policy emphases of the early 1950's. Much of the ensuing discussion concerns a central perspective, which over the years has fascinated observers of "modern" China, namely the relation between the Soviet model for economic development and the various border region policies, which together constituted the sum of the CCP's Yen'an experience.

Initially, this perspective can be profitably exploited, if we base our periodization of these conflicting emphases on the distinction between the period of economic restoration (ching-chi hui-fu), and the period of large-scale construction (ta kuei-mo ti chien-she). Indeed, this distinction is central to CCP historiography and should serve as a corrective to Western analysis, which tends to skip the policy emphases of "economic restoration", thus depicting a simple progression towards the "Soviet" model. Prior to the reorganization of state administration at the end of 1952, the Chinese government was mainly concerned with social reform and production. In the period of economic restoration, the government struggled to surpass pre-war peaks in industrial and agricultural production and made only tentative and limited efforts in the direction of capital construction.

Mao did not call upon the nation to achieve a "high tide in learning from the Soviet Union" until February 1953. Indeed, a Jen-min jih-pao editorial of March 1954, noted that during the period of economic restoration, different groups of personnel had had their own prejudices in favour of British, American, or German, or Japanese construction techniques.<sup>11</sup> After the announcement of the general line of state, any pattern of construction technique, aside from that of the Soviet Union, became ideologically suspect

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11. JMJP, March 19th 1954, SCMP, No.778, March 31st 1954, pp.8-12.

and was considered "bourgeois" or "backward". The senior cadre study groups of the several Greater Administrative Regions only began a systematic study of Soviet economic construction after the announcement of the general line. The highly connotative expression, "capital construction", did not even penetrate the corridors of the East China administrative machinery until 1951.<sup>12</sup>

The level of planning and technology needed to further economic restoration was obviously not as high as that needed in large-scale capital construction. To restore production in a plant, is one thing, but it is a different and much more complex matter to create industry where none existed before. In the period of economic restoration, Russian expertise was concentrated in the Northeast, and development in the Northeast was exceptional in relation to experience in other GARs.

What the CCP did in the early years in terms of its own experience undoubtedly had an influence as to how and to what degree the "Soviet" model was assimilated in later years of capital construction, and the very real similarities between policies, pursued in 1951 and 1958, bears this observation out.

One might stress here that the men, who took charge of the centre's economic and financial ministries, were the same men, who oversaw production increase and austerity campaigns in the various North China border regions in the Yen'an period, and their understanding of Russian economic techniques was not as real as their own experience in handling practical problems of border region administration.<sup>13</sup>

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12. Wang Ti-min, op.cit., p.5.

13. Bill Brugger in his well documented study of "enterprisation" and "democracy" in Chinese Communist enterprise suggests that Yen'an experience was not seen as an alternative to Soviet ways of doing things and doubts how far one can generalize on the basis of an administrative experience, originating with "a few isolated industrial undertakings or hand-loom linked to an up-country political centre." Brugger, Democracy and Organization in Chinese Industrial Enterprise 1948-53, p.55. One should, however, note that the policies of the period of economic restoration had their antecedents in the Yen'an experience. While this experience may not have been clearly articulated as an alternative to a "Soviet" model (and Brugger makes the rather important point that the connotations of "Soviet" are ambiguous), it should nevertheless, be stressed that this was the main store-house of experience from which the CCP leadership could draw on. Russian experience could not be easily assimilated over a short period of time, and there is nothing to suggest that the CCP was willing to eschew its past administrative experience, or regard its own experience and policies as merely "circumstantial".

The problem of applying this central perspective to the history of the years 1949-54 are difficult as one need not expect to find in the Chinese leadership of the time a consistent consciousness of, or understanding of what is meant by "Soviet". "Soviet" has often been identified with Stalin, but even Stalin can be quoted to support antithetical statements.

Franz Schurmann has stressed that "Stalinist" administration was highly centralized and overwhelmingly "vertical" in structural emphasis. Schurmann has argued that the trend in China towards a highly centralized and vertical government structure reached its zenith in 1954, yet in 1953 the Jen-min jih-pao advocated a formulation describing relations between party, state and mass organization, which was consistent with the September 1st 1942, Central Committee resolution on the unification of leadership in the anti-Japanese war bases.<sup>14</sup> In 1953, it was argued that the Party did have the right "to administer" as regards major policy, but was not to supplant the state machinery and become entangled in the day-to-day execution of policies.<sup>15</sup>

Furthermore in 1954 Stalin was cited in defence of an economic strategy, which was all-round and included the development of local industry. The JMJP quoted the following excerpt from Stalin's "Report on the Work of the Central Committee Before the 14th Congress of the C.P.S.U." of 1925:

"We must not confine our strength to the development of all-Soviet industry because all-Soviet industry or our centralized trusts and syndicates can never satisfy the different demands and tastes of a 140,000,000 population. In order to satisfy these needs, it is necessary to bring to an upsurge the industrial activity in every district, every uyeza, every gubernia and every national republic.

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14. See comments in the introduction, relating to the September 1st 1942 CCPCC resolution on the unification of leadership in the base areas, p.
  15. See JMJP editorial comment regarding the Party's right "to administer". "Strengthen the Functions of Party Organization in Enterprises to Ensure and Supervise Industrial Production", NCNA, March 18th 1954 in SCMP, No.770, March 19th 1954, p.17.



Without developing the potential latent in economic construction in various localities, without developing all these forces, we shall be unable to attain the general upsurge in our economic construction as indicated by Lenin."<sup>16</sup>

One must also consider the fact that the Yen-an formulation, "centralized leadership and decentralized management" and the Common Programme's emphasis on "local expediency" (yin-ti chih-i) were consistent with specific Russian formulations.

In February, 1917, the USSR's Supreme Council of National Economy, (Vesenkha), reviewed the structure of industrial administration and underlined the importance of "centralization of planned leadership and control and decentralization of operational functions".<sup>17</sup> One might attempt to see a parallel in terms of the USSR's administrative development during the time of the new economic policy and Chinese administrative development prior to November 1952. In the USSR, economic planning was not exclusive to the centre and the republics, operating within a dual system of administration, had a certain degree of initiative to formulate within the general mandate of the centre their own state plans under their own Vesenkha. In China, a great many planning personnel were concentrated at the level of the GAR. Similar to USSR's republic, the GARs had budgets and responsibilities for the management of certain categories of capital construction.

GAR responsibility was perhaps the greatest in the Northeast over 1949-50 when the Northeast People's Government drew up budgets which, although approved by the centre, were not incorporated in the national budget.<sup>18</sup>

One might also note that the dual administrative structure in the Soviet Union rapidly gave way to a more vertical structure with

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16. "Fully Develop the Functions of Local State-Operated Industry During the Transition Period," JMJP, March 11th 1954, SCMP, No.777, March 30th 1954, pp.11-14.
  17. E.H. Carr and R.W. Davies, Foundations of a Planned Economy 1926-1929, Vol.1, p.378.
  18. Article six of the "Provisional Measures of the Northeast Region Budget and Final Accounts" notes that the final accounts of the NEPG has to be approved by the GAC. The quarterly financial accounts of the NEGAR, provinces and municipalities were approved by the NEPGC itself.

the advent of the First Five Year Plan. A similar administrative metamorphosis occurred in China during the First Five Year Plan.<sup>19</sup>

The general thrust of the above discussion certainly indicates that the contrast as commonly drawn between the "Yenan" model and the "Soviet" model is deceptively simple, hence this relationship has to be spelled out in very precise terms as to the specific elements of Soviet and Chinese experience which are to be compared.

The policy emphases of the years of economic restoration were not circumstantial, for they explicitly derived from a well of past experience in border region administration. The thematic axis, upon which all economic policy revolved, was production increase and economy (i.e. austerity). During the early '50's, cadres in economic and finance departments never ceased to quote the formulations set out by Mao in his December 1942 essay, "Economic and Financial Problems". Senior level cadres often quoted the following observation: "...while a good or bad financial policy affects the economy, it is the economy that determines finance. Without a well-based economy, it is impossible to solve financial difficulties without a growing economy, it is impossible to attain financial self-sufficiency."<sup>20</sup> The key policy emphasis in the early 1950's was "finance through economics" (i.e. through economic development), (tsung ching-chi tao ts'ai-cheng). State revenue was to accrue through increased production and reduction of administrative expenditure.

The significance of Mao's thinking in these matters was even stressed during the first five year plan. When Po I-po delivered his budget for 1953, he stressed the old formulation, "crack troops and simple administration" and noted the continuing importance of the "five objectives", namely, "simplification", "unification", "efficiency", "economy", and "opposition to bureaucracy":

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19. Edward Carr has noted in relation to the inexorable tide of centralization in the USSR: "The advance of planning and industrialisation strengthened the pressure for every form of centralization and intolerance of any resistance to it on national ground..." Foundations of a Planned Economy, Vol.II, p.194.
  20. Mao Tse-tung, "Economic and Financial Problems in the Anti-Japanese War", SW, III, p.111.

"It is still appropriate to use words of Chairman Mao Tse-tung and to criticize many of our state financial and economic organizations and other administrative organizations today. For this reason strict examination and supervision must be exercised over the size of staffs and the expenditure of the administrative organs of enterprises, institutions and government organizations. The authorized size of staff and production norms must be enforced, grades must be reduced and procedure simplified. Those who practice bureaucracy by sitting in their offices and issuing directives and orders without examining the carrying out of work must be opposed."<sup>21</sup>

This central policy theme of production increase and austerity runs through the complete spectrum of CCP policy emphases. Most important of all, it was related to the basic united front economic strategy of "production on all fronts" (ssu-mien pa-fang fa-sheng). During the mass campaign for production in late 1952, the banner "better, faster and more economical" (hao, k'uai, sheng) was unfurled throughout China.

The characters, ssu-mien pa-fang explicitly referred to a set of inter-related policies which together formed the core of the economic programme of New Democracy. Mao had very early in the day come to the conclusion that the uneven development of China's economy necessitated a policy which would capitalize at once on the different features of China's economic landscape. In October 1936, on the eve of united front, Mao wrote the following concerning China's economy:

"China's political and economic development is uneven -- a weak capitalist economy coexists with a preponderant semi-feudal economy; a few modern industrial and commercial cities coexist with a vast stagnant countryside; several million industrial workers coexist with several hundreds of millions of peasants and handicraftsmen labouring under the old system."<sup>22</sup>

Within the context of the second united front and its mass as opposed to class-line emphasis, Mao urged the coexistence and creative development of the different sectors of the economy.

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21. Po I-po's Report on the 1953 Budget, NCNA, Peking, February 17th 1953, C.B., No.230, February 20th 1953.
  22. Mao Tse-tung, "Problems of Strategy in China's Revolutionary War", SW, Vol.1, p.196.

Ssu-mien pa-fang specifically related to the following policy emphases: "consider both public and private" (kung-tzu chien-ku); "mutually benefit capital and labour" (lao-tzu liang-li): "mutual assistance between countryside and city" (ch'eng-hsiang hu-chu); "foreign and domestic trade interflow" (nei-wai chiao-liu).<sup>23</sup> All these policies were designed to capitalize on all the positive features explicit in China's economy.

Ideally, private commercial and industrial enterprise would inter-relate with state enterprises to their mutual benefit. The class contradictions between workers and employers were not to be pushed to the point where labour disputes disrupted production. The state trading policy emphasized the importance of marketing native products so that peasant purchasing power would be raised and the countryside could then afford goods manufactured in the cities. While trade with foreign countries was to be encouraged, it had to be encouraged in a qualified fashion, avoiding the past mistake of "over-emphasizing foreign and paying little attention to native" (chung-yang, ching-t'u). China was not to rely on foreign sources of raw materials, and a strenuous effort was made to find domestic markets for native and special products.

It is difficult to credit Cultural Revolution claims that Liu Chao-ch'i opposed Mao in attempting to consolidate "new democracy" when the central policy thrust of the period was towards Mao's "production on all fronts".<sup>24</sup>

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23. For an example of the use of "ssu-mien pa-fang" refer to "Tso hao hua-pei ch'ü ch'eng-hsiang wu-tzu chiao-liu k'ai lan hui ti chi-pei kung-tso", (Do well the preparatory work for North China urban-rural interflow of goods trade fair", JMJP, July 16th 1951; also in HHYP Vol.4, No.4, August 1951, p.870.
24. For further comment on Cultural Revolution allegations, see Kenneth Liérthal, "Mao vs Liu? Policy Towards Industry and Commerce 1946-49", CQ, No.47, July-September 1971.

## IV

ii) The Struggle for the Centre's Economic and Fiscal Integrity

In this section we can trace in more detail the movement from a condition of "dispersion" (fen-san) to "unity" (t'ung-i) in the course of the elaboration of national fiscal structure and the implementation of economic policy. Perhaps, one of the most important aspects of nation-building in China was the creation of a unified budgetary framework, which insured fiscal discipline at local levels. The imposition of fiscal discipline on local levels of government was important not only in terms of the centre's attempt to achieve unified economic planning, but also in that it insured against a reversion to the phenomenon of "ko tzu-wei cheng" (semi-autonomous administration by the various levels).

In late 1949 and early 1950, the CPG faced an economic and fiscal crisis of alarming proportions, as the gap between national revenue and expenditure dramatically increased day by day. Military conquest had rapidly outpaced political and economic integration in China, south of the Yangtze River. During the first months, when the CCP was hurriedly erecting a scaffolding of government in the vast "newly liberated areas", the centre had to lean on the resources of the "old liberated areas" to supply large quantities of food and material to newly liberated cities in East China and Central-South China and to supply the rapidly expanding front in the northwest southwest.<sup>1</sup>

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1. The degree to which the "old liberated areas" shouldered the national burden is revealed in the transfer of grain. According to Liu Shao-ch'i in 1950, the Northeast People's Government transferred 2,600,000 tons of grain to the CPG in support of the ongoing military campaigns in China Proper and to provide relief in natural disaster areas. See Liu Shao-ch'i "May Day Address", Peking, May 1st 1950, in New China's Economic Achievements, p.16. According to Ch'en Yün, the CPG distributed a total tonnage of 4,500,000 tons to relieve the food situation in China Proper. See Ch'en Yün, "The Financial and Food Situation", New China's Economic Achievements, p.57.

It was difficult to insure a balance of revenue and expenditure on the basis of the principle of "finance through economics". Ch'en Yün, Chairman of the GAC Economic and Finance Committee and Po I-po, the committee's vice-chairman, took the position that the issuance of bank notes on a large scale would further aggravate an already serious inflationary spiral. On December 2nd 1949, Ch'en Yün delivered a speech before the CPGC. He could promise no more than "blood, toil, tears and sweat". He warned his colleagues that revenue from the newly liberated areas would increase only slowly and gradually.<sup>2</sup> Initially, the 1950 deficit was covered by limited note issue and the issuance of Victory Bonds, and in this respect the leadership had to at least bend its basic tenet, "finance through economics", for these methods can only be regarded as a means of distributing the fiscal burden to the population at large.

Military and administrative personnel and educational workers were instructed to continue to engage in production. Indeed, the December 5th 1949, directive of the PRMC stressed that the PLA's participation in production was not temporary but long-term.<sup>3</sup> Ch'en would promise no increase in the wages of military personnel, administrative and educational workers; however the continuation of the supply system and the regular pegging of the "parity unit" to the commodity price indices may have helped to protect government personnel from the worst effects of inflation.

In discussing the central government's struggle to achieve unified management of finance and economy, one cannot but note the magnitude of the fiscal problem, which the centre faced in late 1949 and in the first quarter of 1950, and it is here that we might find the explanation for the excessive financial and economic centralization, which occurred during 1950. Ch'en Yün revealed that in 1949 financial deficit constituted two thirds of expenditure. In the

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2. Ch'en Yün, "The Problem of Commodity Prices and the Issuance of Government Bonds", New China's Economic Achievements, p.37.
  3. JMJP, December 6th 1949, p.1.
  4. Ch'en Yün, "The Financial and Food Situation", p.49.

context of the debate concerning the unification of national economic and financial work, Articles 16 and 33 of the Common Programme seemed to have lost some significance, and the border region formulation, "centralized leadership and decentralized management", was discredited in its association with "sub-region management", (fen-ch'ü ching-ying).

The unification of CPG receipts and expenditure became one of the three cornerstones of the CPG's strategy to overcome inflation and stabilize prices. The san-p'ing policy, as it was called, also required the central allocation of important raw materials and resources and the unification of regional currencies under the jen-min pi. The biggest item on the debit side of the draft 1950 budget was military and administrative expenditure, which together accounted for over sixty per cent of total expenditure. At a time when tax collection had yet to be routinized and when various areas of the country were suffering serious hardship due to natural disasters, the government had to support nine million personnel, or more than two per cent of the national population.<sup>5</sup> This was in part the cost of the success of the cooptation plan, explicit in Mao's "Peiping and Suiyuan Patterns". Basically, the government honoured its pledge to take over in toto former army and government personnel; however, while the CPG had become responsible for national expenditure, it did not have the advantage of a truly national tax collection. In the "newly liberated areas", revenue collection was handled in a semi-autonomous fashion by local government agencies.

The GAC decision on the unification of financial and economic work, which was promulgated on March 3rd 1950, particularly pointed to deviations in the collection of the public grain tax. A Jen-min jih-pao

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5. Po I-po, "Draft Budget for 1950", New China's Economic Achievements, p.41.
  6. CPG GAC, "Kuan-yü t'ung-i kuo-chia ts'ai-cheng ching-chi kung-tso ti chüeh-t'ing", (Decision on the unification of financial and economic work), in Hua-tung ch'ü ts'ai-cheng ching-chi fa-ling hui-pien, (Compendium of East China Economic and Financial Regulations), Vol.1, pp.7-8. Henceforth cited as HTCCCTC.

editorial hailed the move forward from a condition of "dispersion" (fen-san) to unity (t'ung-i).<sup>7</sup> A policy of "decentralized management", (fen-san ching-ying), was seen as necessarily appropriate to the economic and political conditions during the War of Resistance; however, it was argued that the situation had undergone a dramatic change with the liberation of large cities such as Shanghai and Hankow, and with the calling in of and the steady expansion into the "newly liberated areas" of the new currency, jen-min pi. The same Jen-min jih-pao editorial, however, specifically posed the question whether or not "decentralized management" would continue to exist subsequent to the planned unification and answered in the affirmative.

The relationship between the centre and the localities in regard to agricultural production was cited as an example. After unification, the Ministry of Agriculture would formulate the general plan of production, but local governments would bear the responsibility of organization and leadership (ling-tao), hence the implication that the contemplated unification in theory was to take place within a dual framework of administration.

Ko Chih-ta, in his historical review of the budgets of the PRC, noted that at the time of the unification, there were cadres, who upheld the slogans, "more flexibility" (to chi-tung), and "more to administer" (to pan-shih).<sup>8</sup> These cadres had wanted to administer more projects, but inevitably left the centre with the financial responsibility.

In the early years of the new regime, there were serious administrative problems as regards the achievement of a centralized uniformity of local tax collection. There were also serious problems as regards the financing of economic development. In a Jen-min jih-pao editorial of March 10th 1950, Chang Chiang noted that not only localities but also CPG ministries had clamoured "prosperity on

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7. "Wei-shemma yao t'ung-i kuo-chia ts'ai-cheng ching-chi kung-tso", (Why do we want to unify national economic and financial work?) JMJP, March 10th 1950 and reprinted in Kan-pu hsueh-hsi tzu-liao, No.6, April 1950, pp.33-37. Henceforth cited as KPHHTL.
  8. Ko Chih-ta, Kuo-tu shih-ch'i ti chung-kuo yü-suan, (Chinese budgets in the transition period), p.40.



all fronts" (pai-fa chü-hsing).<sup>9</sup> Chang revealed that during the national finance conference of February 1950, certain localities and ministries had been criticized precisely for wanting to spend more and administer more at a time when the central government was in dire straits trying to achieve strict economy of expenditure and bring about a balance of receipts and expenditure.

The problem was not new, and the CCP already had considerable experience in dealing with overly enthusiastic cadres who failed to maintain fiscal discipline. In December 1942, Mao had warned that the emphasis on economic development, explicitly in the principle, "finance through economics" was not an excuse for "reckless or ill-founded expansion", and he roundly criticized certain wayward comrades in the following fashion:

"Some comrades who disregard the specific conditions here and now are setting up an empty clamour for development; for example, they are demanding the establishment of heavy industry and putting forward plans for huge salt and armament industries, all of which are unrealistic and unacceptable. The Party's line is the correct line for development; it opposes outmoded and conservative notions on the one hand and grandiose, empty and unrealistic plans on the other. This is the Party's struggle on two fronts in financial and economic work."<sup>10</sup>

On the same occasion in 1942, Mao found it necessary to criticize cadres for the incorrect viewpoint of "benevolent government" (jen cheng). The problem was all the more serious in the context of the fiscal crisis of early 1950. Chang Chiang informs us that the viewpoint had survived in certain localities and ministries and that the policy emphasis on "finance through economics" had been taken to an extreme to justify the elimination of tax burdens on the people. One might note in this connection a March 1950, directive of the CSMAC, which vigorously criticized

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9. Chang Chiang, "Ts'ai-ching kung-tso ti hsin shih-ch'i", (The new stage in economic and finance work), JMJP, March 10th 1950, reproduced in Hsin-Hua yüeh-pao, Vol.1, No.6, p.1396. Henceforth cited as HHYP.
  10. Mao Tse-tung, "Economic and Financial Problems in the Anti-Japanese War", SW, Vol.III, p.113.

"benevolent government".<sup>11</sup> Central-South cadres were carefully instructed that such a view would ultimately cause the people great hardship; for example, it was pointed out that a reduction in urban taxation would result in a heavier burden falling on the countryside, which would adversely affect both production and peasant purchasing power.

Departments and localities were criticized for having clamoured for "flexibility", or greater initiative and independence in the economic sphere. The JMJP in reviewing the proceedings of the above February 1950 conference, cautiously noted that although the conference delegates, including responsible financial cadres of the GARs had rapped the tables, signifying their endorsement of policies for the impending unification, conditions were not easy by any means, and the possibility of an intense struggle loomed large over the horizon.<sup>12</sup>

In the months subsequent to the February 1950 conference, the expression "decentralized management", was conspicuously absent from the statements of senior cadres, responsible for finance. Mao and Ch'en Yün referred to "centralized control and centralized leadership", (t'ung-i kuan-li ho t'ung-i ling-tao), as opposed to the familiar Yen-an formulation, "centralized leadership and decentralized management".<sup>13</sup> "Centralized control" apparently did not necessarily imply a rigid vertical administrative structure, for the "Principles of National Taxation", promulgated by the GAC on January 17th 1950, while preserving the centre's integrity as to the promulgation and implementation of regulations for the collection of taxes of national significance, had indicated that each level of tax organization would be responsible to the dual leadership (shuang-chung ling-tao) of the next higher level of tax organization

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11. "Kuan-ch'e shui-shou cheng-ts'e pao-teng jen-wu wan ch'eng", (Thoroughly implement urban tax policy insuring the completion of assignments) KPHHTL, No.6, March 1950, p.64.
  12. Chang Chiang, HHYP, p.1396.
  13. For example see Mao Tse-tung, "Wei cheng-ch'u kuo-chia ts'ai-cheng ching-chi chuang-k'uang ti chi-pen hua chuan erh tou-cheng", (Fight for a fundamental turn for the better in the financial and economic situation in China), I-chiu-wu-ling nien chung-kuo ching-chi lun-wen hsüan, (Selected articles on the Chinese economy in 1950), p.5.

and the government of the same level.<sup>14</sup> However, in the case of conflict within this dual pattern of structure, the decision of the next highest level of tax bureau was to prevail over that of the government committee of the same level.<sup>15</sup>

It is noteworthy that the March 3rd decision for the unification of national and financial work anticipated that problems would arise at the local levels as the result of the implementation of the new regulations. Cadres, engaged in local administrative work, were warned not to indulge in pessimistic and irresponsible attitudes in reaction to centralization. The GAC predicted that unified management would make it more difficult for local administrations to meet local expenses, but these difficulties, it was argued, would pale in significance when compared to the much more serious problems, which would result from the non-co-ordination of central revenue and expenditure.<sup>16</sup>

The centre in its campaign to balance the budget, bled the local governments white, and the initiative of local administration was seriously impaired as a result of rigid fiscal centralization and currency control. This episode in the early history of the regime is particularly important as it demonstrated the capacity of the centre at a time when its structure was embryonic, and at a time when a great deal of power was concentrated at the level of the GAR, to overcome administrative chaos at local levels. The three-pronged policy to centralize control of national revenue and expenditure, to centralize on a nationwide basis the use of important resources and to centralize control over currency, was to a certain extent successful. The CCP leadership proudly proclaimed a victory

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14. Article 11, "Ch'üan-kuo shui-cheng shih-shih yao-ts'e," (Principles of national taxation), in Chung-yang shui-wu fa-ling hui-pien-chi, 'Compendium of central government tax regulations), Vol.1, p.5.
  15. Article 22, "Ch'üan-kuo ko-chi shui-wu chi chan-hsing tsu-chih kuei-ch'eng", (Provisional organic regulations of the various levels of national tax organization), Chung-yang shui-wu fa-ling hui-pien chi, p.
  16. HTCCCTC, Vol.1, p.12.

over inflation, which was represented as proof of the strength of a people's regime in comparison with the weakness of the KMT regime.

Already on April 13th 1950, Ch'en Yün was claiming that the national deficit was two-fifths less than that allowed for in the 1950 budgetary estimates.<sup>17</sup> But if success was sweet, it was hardly unqualified. The deputy minister of the CPG Ministry of Finance, Jung Tzu-ho, later admitted that although 1950 was marked by great achievements in financial and economic work, serious mistakes occurred during the implementation of policy. The decisions of the February 1950 conference had not been carried out in accordance with Mao's directive, "finance through economics", especially in taxation work in the months of March and April.<sup>18</sup>

During 1950, the centre and the GARs were able to redress the earlier situation, whereby the "old liberated areas" were shouldering a disproportionate share of the national tax burden due to the default of the "newly liberated areas" in the remission of revenue. Total revenue intake in 1950 exceeded original budgetary estimate of 1949 by 31.7 per cent. Over the year, remission of revenue to the centre increased quarterly while central subsidies to local governments decreased quarterly; for example, in the first quarter, the CPG received only 7.9 per cent of total 1950 revenues while it disbursed to the regions 43 per cent of the year's total subsidies, whereas in the last quarter 39.9 per cent of annual revenues were remitted to the CPG and subsidies of the same quarter amounted to 14.7 per cent of the total annual subsidization.<sup>19</sup>

Part of the reason why the CCP leadership was able to achieve a healthy budgetary situation was due to the effectiveness of GAR organization in facilitating the work of unification. From the out-

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17. Ch'en Yün, "The Financial and Food Situation", p.48.

18. Jung Tze-ho, "I-chiu-wu-ling nien ts'ai-cheng kung-tso tsung-chieh chi i-chiu-wu-i nien kung-tso ti fang-chen ho jen-wu", (Summary of 1950 financial work and the policies and tasks of work in 1951), April 1951, HHYP, Vol.3, No.6, p.1355.

19. Ibid., p.1355.

set it should be noted that provincial budgets were approved at the GAR level and subsequently incorporated into that level's budget. After the promulgation of the March 3rd decision on unification, the various GARs convened financial conferences, and during the last two weeks of March created the necessary structure to facilitate the impending unification.<sup>20</sup>

At the centre, two committees had been formed to oversee the battle to reduce expenditure and augment revenue. The Vice-Chairman of the GAC Economic and Finance Committee, Po I-po, presided over the National Committee of Personnel Registration, while the Chairman of the GAC's Committee, Ch'en Yün, presided over the new National Committee for Inventory and Clearance. These two national committees were duplicated in each GAR as a result of the regional finance conferences in March. The committees, charged with personnel registration, were to weed out fictitious personnel, and to hold down the number of personnel so as to reduce the costs of the government's supply system. The committees also took charge of the allocation of personnel, a function which undoubtedly provided GAR administration with experience in later drives to build up pools of technicians and workers for capital construction. The hiring of any additional personnel was rigidly centralized. Committees for inventory and clearance of surplus government stores, on the other hand, undertook to carry out an inventory of all government warehouses and to sell unneeded assets to assist the balance of government receipts and expenditures.

A similar committee structure was organized in the context of the later production increase and economy campaign. To take the CSMAC as an example, the CSMAC Economic and Finance Committee and Departments of Industry, Trade, Agriculture and Forestry, Conservancy,

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20. "Ko ta hsing-cheng ch'ü chao-k'ai ts'ai-cheng hui-i t'ui-hsing t'ung-i ts'ai-ching chüeh-ting", (Various greater administrative regions convene finance conferences to promote the decision to unify finance and economics), HHYP, October 1950, Vol.1, No.6, pp.1411-1413.

and Health drafted plans for production and economy, and Central-South government organs and GAR state enterprise organized retrenchment and economy committees, which assumed leadership of the campaign and organized inspection groups to investigate corruption and waste at GAR, provincial and municipal levels.<sup>21</sup>

The GAR level committees organized corresponding personnel registration and inventory clearance sub-committees at provincial, municipal, hsien and enterprise levels, for example. Under the Chairmanship of Teng Tzu-hui, the Central-South Committee for Personnel Registration started formal registration of all Central-South personnel in May. The Committee's specific terms of reference had already been defined by a CSMAC directive, which incidentally based the system of salaries in Central-South China on the principle of "three people's rice to feed five people", (san-ko jen ti fan yü wu-ko jen ch'ih).<sup>22</sup> The CSMAC acted to reduce the salaries of higher level cadres, while holding the line on lower-level cadres' salaries. Those cadres receiving more than 150 catties (presumably by the month) were to have their salaries reduced to 150 catties, while those with under 150 catties were to receive the same as before; however, since the MAC acted to increase the number of categories of personnel, one suspects that there were other disguised reductions.

Liu Shao-ch'i frankly admitted that cadres were experiencing great suffering and deprivation as a result of government economies when he stated:

"As a result of economy in expenditure, several million army personnel and government functionaries continue to live under the frugal supply system, and it is impossible or hardly possible for them to look

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21. See "Resolution on Measures for the Development of the Production Increase and Economy Movement", dated November 21st 1951 in CB., No.160, February 20th 1952, p.62 (from CCJP, November 28th 1951).
  22. See CSMAC directive on unification of financial and economic work, dated March 22nd 1950, in KPHHTL, April 1950, No.6, pp.41-43.

after their families, many of whom have to live a hard life or even a life of semi-starvation."<sup>23</sup>

The creation of a GAR budgetary system, which covered the vast "newly liberated areas" contributed to the eventual balancing of the centre's receipts and expenditures; for example, reference to the "Provisional Regulations for the Southwest Region Budget and Final Accounts" indicated that the Finance Department of the SWMAC was charged with the task of controlling the supply system of all levels of government in the Southwest, except for military operation expenditure, which was to be unified by the Finance Department of the Southwest Military Region Rear Services Section, and except for the operational expenditure and investment in enterprises under central management.<sup>24</sup>

How effective were the GARs in increasing the remission of revenue and in the cutting of administrative expenditure? In his report to the fifth session of the CPGC, as Chairman of the NWMAC, Peng Teh-huai, noted that as of that moment in January 1950, the centre was subsidizing expenditure to the Northwest to the tune of 75 per cent. Moreover, in his report to the second session of the NWMAC on July 10th 1950, Ku Chih-fu, Chairman of the NWMAC Economic and Finance Committee, noted that the work of unification was rendering impressive results. Whereas in March 1950, revenue collection in the Northwest reached only 66 per cent of planned receipts, the figure for May stood at 103 per cent.<sup>26</sup> Since

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23. Liu Shao-ch'i, "May Day Address", New China's Achievements, p.20.
  24. "Hsi-nan ch'u yü-chüeh suan chan-hsing pan-fa", (Provisional regulations for the Southwest region budget and final accounts), CYTCCTFLPH, Series II, p.284.
  25. Peng Teh-huai, "Kuan-yü hsi-pei kung-tso ching-k'uang ti pao-kao", January 7th 1950, in CFKTPK, p.414. (Report on work conditions in the Northwest.)
  26. Ku Chih-fu, "Kuan-yü mu-ch'ien hsi-pei ts'ai-ching kung tso wen-t'i", (Problems in present Northwest economic and financial work), July 10th 1950, CFKTPK, p.421.

the first session of the NWMAC, military and administrative expenditure had been reduced by 20 per cent and expenditure relating to economic and cultural construction, had been reduced by 50 per cent.

The authorities in the SWMAC probably faced what was an even more desperate financial situation than did Peng in the Northwest. In his report on financial and economic work, Liu Tai-feng, Vice-Chairman of the SWMAC Economic and Finance Committee, noted that at the time of the March 3rd decision, various government machineries had not even been set up.<sup>27</sup> Liu also revealed that although the Southwest government and military establishment supported a register of over two million personnel, centrally approved figures only allowed for the supply of 1.7 million personnel.

The Southwest was exclusively "newly liberated area", and there had been no time for politicization prior to liberation; and government and mass organization was embryonic, hence the imbalance between revenue and expenditure was particularly chronic in the Southwest. During his report to the second session of the SWMAC on January 29th 1951, Liu Tai-feng observed that the Southwest region in 1950 had in fact basically completed centrally-assigned quotas for public grain tax, urban tax and salt tax,<sup>28</sup> and further claimed that successful collection of public grain was the result of the organization of peasant masses, cadre enthusiasm and correct implementation of the centre's agricultural tax policies.

He did, however, admit that during the first half of 1950, urban taxation had been slow in remission. As of the end of July only 22 per cent of the annual quota for urban tax had been fulfilled; however collection later improved in the course of rectification and criticism. The mentality, which judged unification as impracticable

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27. Liu Tai-feng, "Kuan-yü hsi-nan ts'ai-ching kung-tso ti pao-kao", (Report on the Southwest economic and finance work), July 27th 1950, CFKTPK, p.992.

28. Liu Tai-feng, "Hsi-nan i-nien lai ts'ai-ching kung-tso ti chi-pen ch'ing-k'uang ho i-chiu-wu-i nien ti kung-tso-jen-wu", (Basic conditions in Southwest economic and finance work over the past year and work tasks for 1951), CYTCC'TFLHP, Vol.8, 1952, p.53.



under the prevailing political and economic circumstances, came under attack. Despite the many problems, which existed at liberation, the SWMAC authorities were able to claim with some pride on the even of the announcement of the general line of state that the SWMAC authorities had in the financial work passed from "supply finance", (kung-kei ts'ai-cheng) to "construction finance", (chien-she ts'ai-cheng).<sup>29</sup>

By way of contrast, financial and economic unification was much more rapid in the Northeast, particularly as this region overwhelmingly fell into the category of "old liberated area". The second session of the Northeast Finance Conference was in effect a turning point.<sup>30</sup> The theme of local fiscal responsibility was highlighted at the conference. Local level cadres were urged to overcome the mistaken viewpoints of the past when they had tended to rely almost exclusively on subsidies from higher administrative levels to resolve the problems of local finance. Mukden was singled out as an example. The Mukden municipal government had experienced serious fiscal difficulties in the first half of 1950. During the second half of 1950, there had been a struggle to correct "cheng-ts'e ssu-hsiang" (policy thought) and more effective budgetary discipline was maintained, as disbursements were cut back and revenue collection improved. During the conference it was emphasized that local levels had to develop their own fiscal strength and not drain the centre. Generally, the performance of local administration in the Northeast was much better in the second half of 1950.

Liaohsi, which had been in deep water at the beginning of the year, recovered its fiscal equilibrium by the end of the year. Liaotung, after investigating expenditure, adjusting revenue collection and struggling to invigorate state enterprise management, was able to reduce its dependence on subsidies in the second half of the year.

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29. Chen Hsi-yün, "Hsi-nan ch'ü san-nien lai ts'ai-cheng ching-chi kung-tso ti ch'ang-chiu", (Results of the past three years of finance and economic work in the Southwest), HHYP, 1951, No.11, pp.142-144.
30. See the following review of local level performance in the Northeast during 1950, "Chin-i pu kung-ku sheng-shih ti-fang ts'ai-cheng yü-suan", (Progressively strengthen provincial and municipal local financial budgeting), Tung-pei jih-pao, February 22nd 1951, in HHYP, Vol.3, No.5, March 1951, p.1098.

In terms of urban taxation, the various provinces and municipalities achieved a collection which was 66 per cent over original estimates — a particularly impressive achievement in consideration of the fact that some forms of urban taxation were new to the Northeast. As late as October 1950, the SWMAC had collected only 50 per cent of its original urban tax quota.<sup>31</sup> The final budgetary figures for the Northeast in 1950 revealed that revenue collection was 18.4 per cent higher than original budgetary estimates, whereas expenditure had been cut a further 11.1 per cent. A Russian observer noted that the dismissal of 70,000 administrative employees from Northeast institutions and enterprises had resulted in a reduction of administrative expenses from 7.7 per cent of total expenditure in 1949 to 5 per cent in 1950.<sup>32</sup>

The struggle to achieve budgetary responsibility at local levels continued on into 1951. The Tung-pei jih-pao drew attention to the fact that despite the lessons of 1950, certain provinces and municipalities were still prematurely pushing ahead with projects, which they would ill afford to finance. The provisions of the 1951 budgetary estimates of Liaohsi, for example, had as of March already been cut twice, yet the figures were more than double the subsidy, which the Northeast authorities allotted the province in 1950, and the 1951 estimates of other Northeast provinces ran at even higher levels of expenditure.<sup>33</sup>

To sum up, the programme for economic and financial unification had achieved results in terms of balancing the national budget, but these results were achieved at some cost to the CCP's own political and administrative principles. Even though the structure of the government was "dual", the principle of flexibility in local administration was a casualty of a headlong rush to balance the national

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31. See C.B., No.20, October 26th 1950, "Special Articles Reviewing Development in Various Regions in China During the Past Year", Part VIII, "Work in the Southwest in the Last Ten Months".
32. "Tung-pei ts'ai-cheng shou-chih ta tao p'ing-heng", TPJP, January 1st 1951, in HHYP, Vol.3, No.5, March 1951, p.1096. Excerpts from M.V. Fomicheva, "Essay on the Economic Structure of Northeast China", are translated in JPRS NY-594 CSO-1391, July 28th 1958. The reference here is to page 3 of the JPRS translation.
33. HHYP, Vol.3, No.5, March 1951, p.1098.

budget. The structure of the GAR level was consistent with the need to take into account regional variations in the pattern of political and economic integration, yet this level did facilitate a vigorous pattern of centralization.

That over-centralization could produce unexpected adverse results is obvious. Kwangtung, not surprisingly, provides the best illustration of this point. One of the reasons for the persistent collection of irregular KMP imposts in Kwangtung was the tremendous pressure, which higher finance organs exerted on local levels. In the summer of 1951, Kwangtung officials had to launch a campaign against the persistence of irregular taxation at the hsiang and ch'u levels.<sup>34</sup> Yeh Chien-ying at that time pointed out that the exaction of a plethora of local imposts at these levels could not simply be cast in terms of a persistence of the KMT's way of doing things, but was also a reflection of the fact that some cadres had been caught in the crunch between excessive expenditure and the introduction of a unified system of finance, hence the willingness on their part to countenance the persistence of KMP fiscal practices.

Despite enormous problems of administrative distance, the chronic shortage of experienced cadres in the "newly liberated areas", the understandably low "policy levels", which affected the implementation of policy at all levels of state administration, the new regime successfully balanced national receipts and expenditures and won an impressive victory over inflation.

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34. During 1950 the new regime had started the process of rationalizing the local tax structure in the "newly liberated areas". The CCP had consistently attacked KMT fiscal indulgence at the local level, characterizing it as "ko tzu-wei cheng". This "semi-independence" had led to the proliferation of different categories of local tax. See "Ch'uan-kuo ti-fang shui-yen kung-tso hui-i", (All-China conference on local taxation) in HHYP, Vol.1, No.2, May 1950, p.114 from NCNA March 8th 1950. The problem in Kwangtung was, therefore, viewed with the greatest concern. The NFJP noted: "...as the higher authorities demanded the strict enforcement of the system of budget and final accounts, some cadres, in order to solve their immediate difficulties, have resorted to arbitrary measures in the collection of taxes to make good their budgetary deficit". See CB, No.129, October 20th 1951, p.4 from NFJP, August 27th 1951. The NFJP proposed that the list of local revenue be posted for public inspection and that the people of all-circles undertake supervision of local revenue.

Basically a unification of financial and economic work had been achieved by the spring of 1951. A respectable degree of fiscal responsibility was achieved at the provincial level, and, although as of April receipts still fell short of expenditure in the majority of China's large cities, the phenomenon of irregular receipt and disbursement, which had characterized municipal finance in 1950, had been basically overcome.<sup>35</sup>

In 1950, the CPG had sailed into the troubled waters of the Straits of Scylla and Charybdis, for on the one hand there was the need to develop the economy, while on the other there was the need to balance receipts and expenditures. To develop the economy meant avoiding a high level of fiscal extraction at the local levels and the stimulation of local trading and industrial initiative, but it was not only economically, but politically essential, if the CCP was to consolidate a new situation, qualitatively different from past experience of "semi-autonomous administrative by different levels", to insure fiscal responsibility at the local levels and firmly establish the centre's ability to control the national economy.

As a national budgetary framework had been effectively achieved, the leadership was confident in 1951 to reorganize state structure and bring about a decentralization in accordance with the principle of "local expediency". Indeed, in discussing the general question of "regionalism", one must always bear in mind that the several programmes of decentralization, which have been enacted since 1949, were undertaken in the relative security of national budgetary guarantees, and the possibility of a "new form of warlordism"<sup>36</sup> emerging would, therefore, seem rather remote.

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35. For comment on municipal finance, refer to the preamble of "Decision on the Further Regulation of Municipal Finance", dated March 31st 1951, in SCMP, No.91, April 4-5 1951, p.18, from NCNA, Peking, April 4th 1951.
36. William Whitson's field army hypothesis presumes the emergence of a new form of warlordism. See William Whitson, "The Field Army in Chinese Communist Politics", in CQ, No.37, January-March 1969, pp.1-30.

This, of course, is not to deny that there were tensions in the centre's relation to local levels of administration. In discussing "regionalism", one can note a dynamic in this relation, perhaps best expressed in the CCP's term, "ti-pen chu-i" (departmentalism, or localism). Cultural or historical factors may render this dynamic more explicit, but are not necessarily to be viewed as the basic causes of "departmentalism". Local dissatisfaction over resource allocation, or local enthusiasm as expressed in "prosperity on all fronts" need not be taken as signs of ill health in the body politic, nor can one assume that lobbying for greater resource allocation by local authorities represents a politically conscious challenge to the centre.

There were undoubtedly occasions when the part did not act after a fashion consistent with the interests of the whole, but one must ask (a) whether or not such action is to be viewed and accepted as a challenge to or denial of the integrity of the nation-state, and (b) does the centre have the institutional capability to insure the implementation of its decisions? In the terms of this line of questioning, it would seem that in the early 1950's the CCP leadership did lay a solid foundation upon which to build the new political and economic superstructure of the People's Republic.

## IV

iii) GAR Administration and the Restoration of the Interflow of Urban-rural Trade

The restoration and development of urban-rural trade interflow was vital to the programme of economic rehabilitation as a whole. In the hard years of the "3-Alls" and the KMT's economic blockade, the CCP had come to appreciate the virtues of self-reliance. One might not surprisingly see a parallel between border region autarchy in 1941 and national autarchy in 1950. Indeed, some of the major perspectives, which underlined trade policy in the early 1950's, had already been developed in Mao's December 1942 treatise, "Economic and Financial Problems".

In his treatise, Mao emphasized the importance of the 359th Brigade Army-People Co-operative in supply and purchasing.<sup>1</sup> This early model of trading organization had been formed in 1937 when Taiyuan fell into enemy hands and merchants fled panic-stricken. At that time, goods from the city could not move into the countryside, nor could native products move outwards to the city, and there were consequent shortages of daily necessities. While the emphasis on the unity of people and army was maintained in this early period, in the course of the transition from border region to national level organization this perspective did present difficulties in that the continued involvement of the PLA in trading after the formation of the People's Republic exacerbated the relation between state and private commerce and thus militated against new democratic economic policy.

The crucial perspective of the Yen-an years was self-reliance. In the context of the "3-Alls" and KMT economic blockade, the CCP's policy emphasis was "sell native produce and boycott foreign goods"<sup>2</sup> (t'ui-hsiao t'u-chan, ti-chih wai-huo). Mao emphasized selling goods made in the border regions and buying goods made in the border regions. Despite the change in the centre of gravity

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1. Mao Tse-tung, "Ching-chi wen-t'i yü ts'ai-cheng wen-t'i" (Economic and financial problems) in Mo Takutō shū (Tokyo 1971), Vol.8, p.301.
  2. Ibid., p.303.

of Party work and the new focus on the city, despite "leaning to one side", trade policy in 1950 dramatized the importance of expanding domestic markets for native and special products.

Mao and Chou returned from Moscow on March 4th 1950, in the certain knowledge that "leaning to one side" would not provide the answer to China's economic problems. Undoubtedly, the Chinese leadership had cause to reflect on the dollars-and-cents value of fraternal comradeship in revolution, for the Sino-Soviet agreement on a loan to China provided US\$300,000,000 in credits, which was a mere \$50,000,000 more than what had been extended to Chiang Kai-shek in 1938-39.<sup>3</sup>

In his "May Day Address" of 1950, Liu Shao-ch'i called on "countrymen of all circles" "to clench their teeth", and he spoke of China's industry becoming independent of imperialism.<sup>4</sup> Chinese industry was to be supplied with Chinese raw materials. During 1950 much greater stress was placed on domestic as opposed to external trade policy, and government administration actively sought to find more home markets for Chinese goods. The theme of self-reliance became even more crucial in the context of the blockade of coastal ports, and in policy terms domestic markets for local produce were considered primary while foreign markets were considered secondary.

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3. There are many reasons for suggesting that even in the early 1950's Sino-Soviet "friendship" was not what it seemed to be. Mao did not repudiate Stalin; he said Stalin was 70 per cent right; but Mao also said: "When we won the war, Stalin suspected that ours was a victory of the Tito type, and in 1949 and 1950 the pressure was very great indeed". See Mao Tse-tung, "On the Ten Major Relations", in Peking Review, No.1, 1977, p.24. Apparently, there was an underlying current of tension over Mao's status as a theoretician and the significance of the Chinese Revolution. See Philip Bridgham, Arthur Cohen, Leonard Jaffe, "Mao's Road of Development and the Sino-Soviet Split, 1953", in CQ, October-December, No.52, pp.670-698. The English texts of the loan agreement together with the Sino-Soviet Pact of Alliance and Mutual Aid and the agreements relating to the Changchun Railway and the territories of Port Arthur and Dairen can be consulted in the Far Eastern Economic Review, Vol. VIII, No.20, March 1950, pp.307-308.
  4. Liu Shao-ch'i, "May Day Address", p.16.

The restoration and development of urban-rural interflow was important in terms of the supply of raw materials to industry, but it was also important in terms of the effort to bolster peasant purchasing power. Indeed, the ability of the CPG to achieve stable commodity prices and to bolster peasant purchasing power was orchestrated in CCP propaganda as notes of the regime's legitimacy.

Against the background of the above perspectives and emphases, we can further study problems of organization and political integration, reviewing in general terms the attempt to maximize the principle of "local expediency" and the mutual inter-relating of different systems through the elaboration of a "dual" framework of leadership, but also reviewing more specifically the GAR conference system, which was designed to facilitate the emphasis on "domestic trade as primary" and the expansion of the urban-rural interflow of trade.

In a Jen-min jih-pao article, Yang Po reviewed problems encountered in the unification of national trade.<sup>5</sup> Yang did not argue the past success of the formula, "centralized leadership and decentralized management", and conceded that circumstances during the Civil War necessitated an administrative stratagem of "sub-region management", (fen-ch'ü kuan-li ti fang-chen). In Yang's view, self-reliance and self-supply had been the order of the day in the contexts of guerilla and mobile warfare, blockade and encirclement; however, with the liberation of large cities this administrative stratagem had become a liability and was inconsistent with the new concrete conditions. The problem of supply had to be viewed at levels above that of any one region. Fluctuations in commodity prices in one region adversely affected other regions, and, as has already been stressed, the Northeast was for this reason isolated

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5. Yang-po, 'Kuan-yü ch'üan-kuo mao-yi kung-tso t'ung-i wen-t'i ti shang-chio', (A discussion of problems relating to the unification of national trade work), JMJP, February 2nd 1950, p.5.



from inflationary spirals in China Proper. Yang Po elaborated on the problems of trade in a second article,<sup>6</sup> observing that past isolationist trade patterns persisted despite the advent of new concrete conditions. In fact, after liberation, part of Hupen, Shensi, Chahar, Honan and Hunan prevented the shipment of goods outward to other areas. Moreover, local cadres in Hopei and Pingyuan even prevented goods from moving out of their hsien and special districts to neighbouring administrative areas.

Despite criticisms of border region administrative practices, the GAC's decision of March 10th 1950, unifying state trade organization, nonetheless explicitly reaffirmed the principle of "dual leadership". In theory, the GAR trade departments were responsible to the dual leadership of the CPG Ministry of Trade and the economic and financial committee of the GAR level.<sup>7</sup> Similarly, each of the six trading companies established for domestic trading at the GAR level, was responsible to the "dual leadership" of the GAR Department of Trade and the respective parent trading company at the centre.<sup>8</sup>

Well-established policies such as "benefit both public and private interests" and administrative strategy such as "dual leadership" were obscured by the administrative realities of early 1950. During a July 1950 rectification meeting, attended by cadres belonging to the CSMAC economic and finance agencies, the Chairman of the CSMAC Department of Trade, Tseng Ch'uan-liu reviewed the problem of "dual leadership" at some length.<sup>9</sup> Indeed, the whole problem had

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6. "Shang-yeh chung ti kung-tzu kuan-hsi wen-t'i", (Problems of public-private relations in commerce), JMJP, June 2nd 1950, reproduced in HHYP, Vol.3, No.2, pp.602-603.
  7. "Kuan-yü t'ung-i ch'üan-kuo kuo-ying mao-i' shih-shih pan-fa ti chüeh-ting", (Decision on the unification of national state trading procedures), HHYP, Vol.1, No.6, p.1408.
  8. Ibid., Section I, subsection iv.
  9. Tseng Ch'uan-liu, "Chung-nan ch'ü tang-ch'ien ti mao-i' kung-tso", (Present trade work in the Central-South), Chang-chiang jih-pao, July 11th 1950, reproduced in HHYP, Vol.2, No.6, pp.1352-1354.

been exhaustively reviewed during an earlier national conference of GAR trade officials, which had resulted in the printing of an explanatory manual on the subject. Tseng conceded that in the first half of 1950, there had been no genuine exercise of top-to-bottom and bottom-to-top planning in Central-South state trading. During 1950, planning had been a admittedly top-to-bottom affair.

Tseng discussed the compilation of the 1951 trade plan, which was to incorporate more fully a bottom-to-top dimension. In accordance with national economic conditions, the centre was to propose control figures to the GARs, and these figures were then to be discussed and supplemented with reference to regional conditions and, subsequently, passed from the GAR to the provincial level. Provincial authorities were then to convene conferences of responsible cadres of special district officers and managers of trading companies. Once the provincial governments approved the conference plans, they would be forwarded to the GAR level for editing, investigation and approval. Upon receipt of GAR plans, the centre would then proceed to finalize the national plan.

Tseng emphasized that while regulations prevented the various levels of government administrative committees from easily changing the regulations of superior level state trading companies, reasons of efficient administration dictated that the system have a "dual" element built into it in order to avoid a situation whereby state trading companies would act in disregard of local conditions and ignore the guidance of local administrative committees.

On May 1st 1950, Liu Shao-ch'i hailed a new situation, characterized by stable prices and approaching budgetary balance. Dwelling on an elaborate metaphor, Liu attempted to explain that childbirth is inevitably accompanied by labour pains, hence the following metaphorical circumlocution:

"At the birth of the new situation some pain and hardship might certainly be reduced if all the doctors and assistants in the maternity hospital of our People's Government were first-rate and if there were sufficient equipment and medicines for midwifery. But unfortunately

not every doctor and assistant in the hospital is first-rate and the equipment and medical preparation work are not sufficient. In their various creative activities they can only work and study at the same time, step by step drawing conclusions from their experience and adding to it."<sup>10</sup>

There can be no doubt that an across-the-board, heavy-handed centralization in early 1950 contributed to a trade depression. Indeed, we have already noted that the May 4th 1951 decision of the GAC concerning the division of power within the administrative system, rather explicitly underlined the fact that in 1950 problems in local trading had resulted from the failure on the part of state trading organization to insure a proper balance between ling-tao and chih-tao.

The trade depression, which had followed hard upon the new regime's 1950 anti-inflationary policies, was described by the CCP leadership as temporary— the unfortunate side-effects of "midwifery" associated with the birth of a new economy. Mao and Liu ascribed the crisis in urban-rural trade interflow to corrupt management, the too rapid release of large quantities of hoarded stocks, blind production, which had resulted in gluts. Some problems were seen as peculiar to industry and commerce, which had in the past served imperialist and bureaucratic capital.

Teng Tzu-hui in his report on the work of the CSMAC<sup>11</sup> and similarly Li Yi-chang, in his report in the capacity as Vice-Chairman of the CSMAC Economic and Finance Committee, agreed that there were temporary factors which had contributed to the dislocation of trade and market stagnation. More specifically, they argued that Victory Bond subscription and tax collection, placed a burden on the people and resulted in a tightness of the money market.

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10. Liu Shao-ch'i, "May Day Address", pp.20-21.

11. Teng Tzu-hui, "Report on the Work of the CSMAC During the Past Half Year", C.B., No.39, December 9th 1950, pp.1-8.

They criticized state trading companies for dumping large stocks in their efforts to call in currency. Furthermore, state trading had proliferated, expanding prematurely into retail trading.

Teng also noted that private transport companies had suffered unfair competition from trucks of military units and state shipping companies. The continued involvement of military units in trade in fact contravened central directives. CPG directives, based on the December 5th 1949 directive of the PRMC, placed the PLA under strict injunction not to become involved in trade.<sup>12</sup>

Teng recommended remedial action which to take the form of (1) suspension of bond subscriptions and postponement of tax collection for one month; (2) suspension of state retail trading (except in the case of daily necessities); (3) a de-emphasis on currency recall; (4) increased state processing orders for private industry; (5) emphasis on the unity between workers and employers; (6) relief for unemployed workers and intellectuals.<sup>13</sup>

In compliance with instructions, issued by the CSMAC and CS Bureau of the CCPCC, the CSMAC Department of Trade promulgated detailed regulations concerning the adjustment of public-private relations in trading.<sup>14</sup> The regulations were based on the CCP policy of "freedom for domestic trade", (nei-ti mao-i tsu-yu cheng-ts'e). Previous restrictions, designed to curtail speculation,

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12. JMJP, December 6th 1949, p.1. Also see GAC Economics and Finance Committee directive regarding the suspension of trading by popular organizations and military units in CYTCCTFLHP, Series I, Vol.II, p.410. These decisions reflected a trend towards greater centralization and the stricter divisions of labour between systems in contrast to the Yenan way of doing things whereby party and state organizations and military units simultaneously engaged in trade.
  13. Teng Tzu-hui, C.B., No.39, pp.5-6.
  14. "Chü-t'i t'iao-cheng kung-tzu kuan-hsi", (Practical readjustment of public-private relations), Chang-chiang jih-pao, June 4th 1950, reproduced in HHYP, Vol.2, No.3, p.604.

were lifted. The state retail of grain, table salt, petrol and miscellaneous daily necessities were not to be expanded until further notice, while state retail of coal, tea and food oils was ordered suspended.<sup>15</sup>

The readjustment of spring 1950, still did not solve the basic problem of interflow. Indeed, an investigation in August 1950, of the Northeast Trade Department, revealed that plans were incomplete and inconsistent.<sup>16</sup> The plan for the purchase of live pigs, for example, did not provide for adequate handling facilities. Similarly large quantities of eggs were purchased in the absence of proper storage facilities. "Simple currency recall thought", (tan-ch'un hui-lung ssu-hsiang), persisted in state administration. The plan for currency recall was not coordinated with the centre's policy demand for "production on all fronts".

Throughout 1951, the GAR governments persisted in their attempts to restore old markets and develop new ones in line with the centre's policy of "domestic trade as primary".<sup>17</sup> Reports to regional governments continued to note the maladjustment between the state and private sectors of trading, which was evident in the diminishing differentials between retail and wholesale prices, and between the prices of areas of production and consumption. A Central-South report of April 1951, for example, noted specific

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15. The same policies, whereby restrictions were lifted and credit facilities advanced in order to revive private commerce, were applied in the other GARs. The efforts of the ECMAC are of particular interest, as Liu Shao-ch'i acknowledged in his "May Day Address" that Shanghai had been hard hit as a result of the trade depression. For a detailed account of the attempts of the economic and trade departments of the ECMAC to revive the Shanghai area, refer to Tseng Shan, "Hua-tung ts'ai-cheng ching-chi kung-tso pao-kao", (Report on East China financial and economic work), dated March 10th 1951, in CYTCCFLHP, Series I-III, Vol.8, 1952, p.29.
  16. "Tung-pei mao-i' pu chien-ch'a mao-i' chi-hua", (Northeast Department of Trade reviews trade plan), TPJP, August 11th 1950, HHYP, Vol.2, No.5, p.1091.
  17. See HHYP, Vol.3, No.5, pp.1114-1116 for reports on the January 1950, trade conferences of the Great Administrative Regions.

difficulties in the interflow of native produce.<sup>18</sup> Firstly, during the course of agrarian reform, there were stoppages of rural workshops and small factories. Secondly, a lop-sided mass viewpoint suggestive of "benevolent government", had become manifest in "high price thought" (kao-chia ssu-hsiang), whereby prices were kept artificially high to the point where the differentials between production and sales area were equalized. Thirdly, "control thought", (t'ung-chih ssu-hsiang), had throttled commercial initiative in lower level markets, as intransigent cadres insisted on a fixed number of stores despite increased commercial activity.

Teng Tzu-hui, in his November 1951 report on the work of the CSMAC, spoke in glowing terms of increased interflow, increased peasant purchasing power, economic and financial unification, long-term price stability, but he also conceded that certain private commercial interests had suffered a "depression in the midst of prosperity".<sup>19</sup> Furthermore, Teng mentioned in passing that the Central-South textile industry had ground to a halt for one and a half months due to an insufficient supply of cotton.<sup>20</sup>

The problems, which state trading encountered in adjusting the market in winter 1951, were fully exposed in the national and regional press. Difficulties were especially serious within the China Miscellaneous Goods Company, which was the largest wholesale and retail supplier of consumer goods. The company's sales of October, for instance, only achieved 78.5 per cent of the planned target, which was a particularly poor performance in consideration

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18. Li I-ching, "Kuan-yü chung-nan ts'ai-cheng ching-chi wei-yüan hui kung-tso ti pao-kao", (Report on the work of the Central-South Economic and Finance Committee), April 10th 1951, CYTCCTFLHP, Series I-III, Vol.8, 1952, p.43.
  19. Teng Tzu-hui, "The Situation in the Central-South Region", November, 1951, in C.B., No.157, February 8th 1952, p.18.
  20. Ibid., p.27. This dislocation would certainly suggest that the centre's planned co-ordination of the supply of cotton between the Northeast East China, Northwest, and Central-South China had failed. Tseng Shan mentioned this plan in his March 20th 1951, report.

of the fact that October was normally a month of brisk sales activities.

The East China branch achieved 72.31 per cent of projected sales, whereas the Central-South and South-west branches respectively achieved 64.02 per cent and 68.36 per cent.<sup>21</sup> There was an alarming trend, manifest in heavy purchasing and light selling, which was leading to good mountains. Leading cadres were criticised for their conservatism. Their fears that selling would result in the running down of stocks were pooh-poohed as groundless.

The Chieh-fang jih-pao in Shanghai placed the following interpretation on events:

"During the past few months certain leading cadres in various branches of the General Goods Company in East China have upset the plans of supplies of goods and held up the turn-over of capital by showing reluctance to sell their goods."<sup>22</sup>

The East China branch had, in fact, been ordered to transfer to other regions 100,000,000,000 yüan worth of goods, which had been difficult to sell, but East China branch only transferred 36,000,000,000 yüan worth. The Central-South branch complained of a sugar shortage, yet the Hunan provincial branch was ascertained to have had 3,300,000 catties of sugar in stock.

Even in the Northeast, where economic accounting systems had been introduced as early as 1949, there were serious problems in state trading. A report released by the Northeast People's Economic Planning Committee on April 10th 1952, revealed the following in relation to the activities of state trading in 1951:

"At a certain period, there developed in state trading organs, a conservative thought of restricting sales, while efforts to curb speculative trading by private merchants in the winter and to effect supplying of the market by leadership throughout the year, did not produce sufficient results."<sup>23</sup>

21. See SCMP, No.247, January 3rd 1952, pp.29-30.

22. Ibid., p.30.

23. See C.B., No.177, May 5th 1952, p.6, or JMJP, April 15th 1952.

With respect to the new regime's trade policy, there were several problem areas. In administrative terms, there seemed to be mal-co-ordination between different levels of administration and systems. In economic and political terms, there was maladjustment between the various sectors of the economy, and we can discern a pattern, whereby state trading organization vigorously aggressed on private commerce in an attempt to centralize commercial activity, only to retreat suddenly in the face of market stagnation and goods shortages. It was a two-steps-forward-one-step-back pattern. An excessive and premature centralization brought on goods shortages as state trading was unable to fill the vacuum left by private commerce, hence overcentralization was followed by readjustments aimed at the enlivening of basic-level markets and the resuscitation of private commerce, which had to be lured back into the countryside.

Administrative disruptions were compounded by low policy levels, for as Liu Shao-ch'i had put it, there were "few experienced doctors in the maternity wards". Aside from the problems of communicating the subtleties of policy emphases, one can perceive a dialectical relation between competing organizational emphases. On the one hand, there were consistent and well articulated emphases in 1951 through 1952 on the importance of relating national policy to local realities, on the horizontal in government structure, on the proper inter-relation of ling-tao and chih-tao. These emphases were best expressed the elaboration of urban-rural trade interflow conference systems. Despite the express articulation of an administrative approach, which would maximize "local expediency", there seems to have been an irresistible tendency within state trading companies towards vertical centralization.

In September 1952, Tseng Shan reported on trade work in the first six months of 1952 to a joint meeting of representatives of the ECMAC departments concerned with trade.<sup>24</sup> He systematically

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24. Tseng-Shan, "Hua-tung ch'ü shang-pan nien ch'eng-hsiang wu-tzu chiao-liu kung-tso tsung-chieh", (Summary of city-country interflow of goods work), JMJP, September 5th 1952, p.2.



covered the basic problems in domestic trading. Tseng was especially critical of cadres who had yet to master the ABC's of government policy. He noted the inability of state trading agencies to cope with seasonal variations. He urged cadres to transform a dispersed free-wheeling market into a relatively controlled market, but reiterated that the key to trade policy was Article 37 of the Common Programme, which guaranteed protection for all legitimate public and private interests in trade. "Freedom of domestic trade" was upheld, but it was to be freedom within the context of the unified state economic plan, and it was this aspect which separated new democracy from capitalism.

Tseng harangued those cadres who had failed to appreciate the positive contribution which private commerce could make to new democratic economic construction, but he also criticized other cadres for their flexibility to the point of corruption in their dealings with private traders.

Tseng spoke at length on the importance of correctly conducting conferences for the urban-rural interflow of trade. It should be stressed that in each of the GARs a conference system had been worked out in order to, on the one hand, exploit local creativity, initiative and expediency, and on the other to promote intra-provincial, inter-provincial and inter- and intra-GAR interflow of goods. The problems involved were formidable, for even in an overwhelmingly "old liberated area" such as North China, trade in native produce was localized, limited to provincial boundaries at best, and often even to special districts and hsien.

The GAR interflow conference system reflected the extension of united front organization into state administration, as it acted as a major forum for the inter-reaction of the representatives of state trading companies, private trading companies and supply and marketing co-operatives. The conference system incorporated two primary aspects. Firstly, the system had a function in terms of information,

discussion and education; for example, within these parameters, delegates might exchange experience, discuss the ways in which to implement policy, adjust freight charges, establish credit arrangements and simplify tax manuals.<sup>25</sup> Such resolutions would then be passed on to the MAC for approval, hence the conducting of native products conferences (t'u-ch'an hui-i) was actually an exercise in government. Secondly, either within the same overall structure, or contemporaneously within a more discrete structure of the "native product exhibition and interflow meeting", (t'u-ch'an chan-lan chiao-liu ta-hui) active trading was sponsored.

In his September 1952, discussion, Tseng particularly stressed the importance of the conference system in the following terms:

"The urban-rural interflow of trade conference is the best way of bringing forth the positive aspect of private commerce under the leadership of the state economy, and is a form which favours new democratic commercial and industrial activity. It is the vital link, which brings together production and consumption, by which we can not only solve seasonal trading difficulties, but enliven the market. Moreover, it has its uses in terms of a penetrating guidance of production and the guaranteeing of planned production."<sup>26</sup>

The system of conferences described by Tseng, was consistent with a dual state structure, which placed a premium on horizontal inter-departmental co-ordination and co-operation. Tseng pointed to the mistakes of the past, warning cadres against blindly convening such conferences, imposing formalistic ways of doing things without reference to specific conditions and acting in a commandist fashion.

Judging by the thematic thrust of his speech, Tseng was concerned with emphases, similar to those which Mao had earlier explored in "Economic and Financial Problems" — emphases, which derived from an appreciation of China's vastness and the need to

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25. For example, see Tseng Shan, "Hua-tung t'u-ch'an hui-i ch'ü-pu tsung-chieh", (Introductory summing-up of the East China native products conference), in HHYP, Vol.4, No.3, June 30th 1951, p.866.
26. Tseng Shan, JMJP, September 5th 1952, p.2.

insure the flexible implementation of the centre's policy in the light of differing regional conditions.<sup>27</sup> Indeed, these emphases were consistent with the re-emphasis on administrative democratic centralism which characterized the policies of 1951.

Tseng urged the assembled cadres to see in the conference system the means by which they could study regional differentials and wholesale and retail differentials. The trade conferences were to provide the opportunity for cadre assimilation of specifically local social and economic conditions, and on the basis of the information, thus gleaned, deficiencies in the implementation of government policy would be corrected and the correct methods of market control established.

In the course of his remarks, Tseng described a hierarchy of conferences, distinguishing between higher level, intermediate and basic level conferences. At the apex of the hierarchy stood the East China Conference of Urban-Rural Trade Interflow, (Hua-tung ch'ü ch'eng-hsiang wu-tzu chiao-liu ta-hui). Due to the large volume of goods involved, this level had a particularly significant impact on production and consumption. At this level, the state trading companies were the key organizational links, bringing together representatives of supply and marketing co-operatives and prominent industrialists and merchants.

One might note that the conference system was only part of a larger scheme of "dual" administration, and that "unified Party leadership" was another part of this scheme. The Party, which had always viewed production matters as its special prerogative, became involved in interflow organization: for example, in the latter half of 1952, the Urban-Rural Goods Interflow Committee of the East China Bureau held weekly sessions, bringing together Party

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27. See discussion in Chapter Two relating to agricultural policy in the Shan-Kan-Ning Border Region. Mao stressed regional and seasonal differences and the importance of flexibility. Ultimately, the formula, "centralized leadership and decentralized management" derived from such a perspective.

members from grade-one administrative machinery, such as GAR economic and finance committees, trade departments, co-operative organizations, etc., in order to foster inter-departmental co-ordination.<sup>28</sup>

The middle-level conferences, which focused on intraprovincial and municipal trade, were similar in principle to the GAR conference, but of course the area and volume of transactions were smaller, and the level of management was not as concentrated. The basic or primary level was to take the wholesale and retail activities of the masses as primary. At this level, the co-operatives were to exercise leadership and the state trading companies, time and proximity permitting, would send representatives to buy and sell. Supply and marketing co-operatives were urged to establish leadership over the traditional "mule and horse markets" (lo-ma ta-hui), the "herbs and medicines markets" (yao-ts'ai ta-hui) and other fairs.

Despite the elaboration of a system of trade conferences problems in state trading persisted and another major readjustment of commerce was attempted in late 1952. A political fact, namely, the Five-Antis, had intervened to trip the delicate balance between centralized market control and the "freedom of domestic trade". Despite the Party's repeated reaffirmations of new democracy, it would seem that the effect of the Five-Antis was an aggression on the part of popular organization and state trading companies on the private commercial sector, which resulted in a trade depression and the disruption of urban-rural trade interflow.

Private merchants fared badly under Mao's scheme for the sorting out of the targets of the Five-Antis Campaign. The fivefold categorization of business firms, which was first applied in Peking under the leadership of Peng Chen and later adopted by the GAC as the unified standard for the whole country, were based on various

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28. NCNA, Shanghai, August 4th 1952, available in SCMP, No.400, August 22-23rd 1952, p.23.

principles of Mao, including "leniency for industrialists, severity for merchants", and "leniency for ordinary merchants and severity for speculators".<sup>29</sup>

Problems in the pattern of domestic trading were already quite evident in August 1952. The Director of Planning of the Central-South Urban-Rural Trade Interflow Conference, Chou Fung-fu, then offered a diagnosis, stressing blindness in market control due to the lack of experience in planning and erroneous business practices. The imbalance in the relation between state and private commerce was evident in terms of the sale of popular goods. Chou claimed that private commerce wanted spot goods while offering only forward goods. Private commerce was criticized for its apathy and its exclusive interest in popular brands of goods. And during the Central-South trade conference private traders were more interested in buying than selling in contradiction to the state trading companies, which focused on selling as opposed to purchasing. The conference ultimately adopted a compromise, whereby lots of popular goods were offered for sale along with lots of less saleable goods.<sup>30</sup> Subsequently, during the Central-South trade conference of November 17th to December 6th 1952, the state trading departments filliped private commerce by adjusting the prices of 140 different commodities, including cotton, tea, daily necessities, petrol, coal, etc., and in the fifteen days at Canton 2,900,000,000,000 yüan worth of business was transacted.<sup>31</sup>

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29. See C.B., No.168, March 26th 1952, for "Standards and Measures Set by the Peking Municipal People's Government for Dealing with Industrial and Commercial Establishments Classified into Various Categories in the 5-Anti Movement". Mao commented on these particular principles on March 5th. See Mao Tse-tung, Mao Tse-tung hsüan-chi, Vol.5, Peking, 1977, p.5. For further comment refer to V, iv, p.327.
  30. Chang-chiang jih-pao, Hankow, August 4th 1952, available in SCMP, No.400, August 22-23rd 1952, pp.28-29
  31. JMJP, December 14th 1952, p.2. 23.48 per cent of total business transacted was on a cash basis.

During the winter of 1952, the various GAR interflow conferences stressed the importance of organizing the basic-level markets. The state trading organization came in for heavy criticism for what was in fact a premature and misguided centralization.

Ma Ming-fang, Vice-Chairman of the NWMAC, in his report to the sixth session of the NWMAC criticized the operations of state trading companies, noting that they had failed to give guidance to the peasants in production, had failed to supply the peasants with daily necessities and had failed to secure the co-operation of private commerce.<sup>32</sup> He cited as an example state trading efforts to fix the prices of cow and sheep hides and furs in order to adjust supply and stabilize market prices. State trading adopted a very restrictive attitude and chased private commerce out of the market with the result that there was a cramp in the supply of hides to the handicraft industry and a stoppage of work.

Even more disconcerting were reports of difficulties in basic-level markets in the "old liberated areas" of North China.<sup>33</sup> While there was some satisfaction expressed at the fact that 400 basic-level interflow conferences had been concluded in North China hsien and market towns, it was then admitted that cadres in some areas had misconstrued the nature of interflow conferences and had regarded the participation of private commerce as of no consequence. The same cadres had failed to co-ordinate higher and lower level interflow conferences, and as a result of their inadequate understanding of local economic conditions and mass purchasing power, their sales plans failed to meet demand.

During the North China Economic and Finance Conference, convened by the North China Administrative Committee in late October

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32. Ma Ming-fang, "Kuan-yü hsi-pai ch'ü t'iao-chang shang-yeh wen-t'i ti pao-kao" (Report on problems relating to the readjustment of commerce in the North-west), JMJP, December 21st 1952, p.2.
33. "Hua-pai ch'ü jo-kan ch'u-chi shih-ch'ang wei-shemma mei-yu ch'ung-fen huo-yüeh ch'i-lai" (Why is it that several basic-level markets in North China have not been enlivened?), JMJP, December 19th 1952, p.2.

1952, the decision was taken to activate basic-level markets through the creation of price adjustment committees, which were to bring together members of economic departments, co-operatives and private traders from various districts for consultation on ways to insure reasonable price differentials.<sup>34</sup>

In December of 1952, the GAC announced a decision for the readjustment of commerce. Pricing was to be based on consideration of the three factors, transport, production and sales costs. The differentials between regions and between wholesale and retail were to be maintained at reasonable levels.

Even before the decision had been announced, the GAR inter-flow conferences had adopted such principles to revive basic-level markets. Previously in mid-November, the CSMAC had promulgated "Six Measures for the Enlivening of the Basic-Level Markets in the Central-South Region".<sup>35</sup> In line with the effort to promote greater interflow through freer trade, these measures removed restrictions on private merchants, abolishing transport permits and purchasing certificates, and eliminated restrictions on quantities handled by private traders. It has already been suggested that part of the trade interflow problem could be traced to a premature and misguided over-centralization of the market, and the Central-South measures were particularly instructive on this point. Cadres of state-owned stores and co-operatives were verbally chastized for assuming administrative authority over industry and trade. They were reminded that they had no legal right to examine documents relating to purchases by merchants. They were especially warned not to restrict free purchasing and sales by the peasants, themselves. In fact, Tseng Ch'uan-liu, Director of the Central-South Department of Trade, revealed that

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34. See SCMP, No.456, November 20th 1952, p.12.

35. See C.B., No.232, March 1st 1953, pp.1-9, for a translation of these measures.

not only state trading companies, but co-operatives, peasant associations and people's militia had usurped the authority of government administrative departments, and attempted to control the market and restrict private trading.<sup>36</sup> What had happened was that state trading companies and supply and marketing co-operatives had imposed misguided controls on the market.

The principle of "local expediency" often fell by the way-side as the state trading companies attempted to assert control over private commerce and acted in a way such as to reduce regional and wholesale-retail differentials. GAR leaders, however, did attempt to right the balance between ling-tao and chih-tao, and "local expediency" was highlighted within the structural context of the urban-rural trade interflow conference system.

Emphases on inter-system co-ordination, "dual leadership" and "local expediency", fluctuated to a certain degree in relation to the problems of socialization of trade and commerce. Organizational development was heady and erratic. At one point, the state economy would be emphasized as the leading factor, and the whole administrative structure would lurch forward two steps, but the resultant cost in terms of trade depression often forced a measured step backward and an expedient revitalization of private commerce. It is not surprising that while from within the interflow conference structure the leadership emphasized united front postures and the importance of adapting policy to local conditions, the state trading companies pursued an active policy of self-aggrandizement in a manner quite inconsistent with "dual leadership" and "local expediency".

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36. Tseng Ch'uan-liu, "Strengthen the Leadership at the Basic Level, Promote Further Interflow of Urban-Rural Supplies", C.B., No.232, March 1st 1953, p.7.



## IV

iv) Taking the State Plan as Law

The 1951 emphases on "local expediency" and the local capitalization of local industry and the relative devolution of fiscal and economic powers were conceived in the context of a very sober recognition on the part of the CCP leadership as to the immediate possibilities for economic development in China. Indeed, Chou En-lai in the September 30th 1950, meeting of the National Committee of the Chinese People's Political Consultative Conference warned of a lack of capital to develop industry. In his view a complete understanding of China's economic situation had yet to be achieved. He stressed that the 1951 budgetary allocations for economic construction would not be impressive; he predicted economic rehabilitation would take another three to five years.<sup>1</sup>

Various factors such as the difficulties in the negotiations with fraternal comrades in Moscow over credit facilities, the poor levels of investment in equipment, the blockade of coastal cities led to a vigorous assertion of earlier themes of self-reliance, production increase and economy and "crack troops and simple administration". Indeed, we already have in 1951, the general outline of that rationality, which achieved its greatest practical expression in "walking on two legs" in 1958. The tendency to see in the creativity and will of the masses an answer to the problems, caused by a lack of technology was already there in 1951.

One can readily appreciate that themes, which had been appropriate in the context of border region autarchy in the early 1940's were to a very real extent still appropriate in the conditions of national autarchy in the early 1950's. The Yenan

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1. See Chou En-lai, "Fight for the Consolidation and Development of the Chinese People's Victory". C.B., No.12, October 5th 1950.

administrative principle, "centralized leadership and decentralized management", for example, originated with perspectives on military command and organization. Guerilla units had based their operations on local resources, but they sustained military operations at the higher levels of mobile and positional warfare. A similar perspective was later exploited in a time of peace in relation to industrial organization and strategy. The beginnings of an industrial strategy were already explicit in Mao's December 1942, treatise, "Economic and Financial Problem"; for example, note the following commentary on "big" and "small" enterprises:

"Our principle is "Centralized leadership and decentralized management". Not only does it apply to industry but to agriculture and commerce as well.

Thus we make a twofold distinction in terms of state-operated agriculture, industry and commerce. There is large and small [enterprise]. Large enterprise is to be centralized whereas small enterprise is dispersed; for example, if we take the food consumption of one or several units together, in order to overcome daily insufficiencies of food and clothing and the problems of administrative finance, these units can plant vegetables, raise pigs, cut wood, burn charcoal and engage in various other agricultural activities; they can make shoes, sew clothing, they can do milling and other type of handicrafts. To meet targets of consumption, to make a small profit and defray public expenditure, they can engage in co-operatives and small-shop commerce. In all these activities we must have "decentralized management". We must move forward in all places and expand in all places. It is evident that all this activity cannot be centralized. This is one type of enterprise, but there is yet another; for example, to meet the specific food requirements of a whole army brigade or corps we would proceed with a great agricultural plan, in effect a plan for the military colonization of land [t'un-t'ien chi-hua]. In order to meet the vegetable needs of many units or organization, we have to have control over large fields; to insure the clothing needs and everyday necessities of whole brigades, corps and many units of state organization there must be control over large workshops and factories; to meet the operating expenditures of entire brigades, corps and many units of state organization there must be control over large commercial undertakings. In all these activities, there must be unified planning, unified control and strict economy of expenditure. We cannot have the various units simply doing as they please; their activities must be kept in order down to the slightest detail."<sup>2</sup>

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2. Mao Tse-tung, "Ching-chi wen-t'i yu ts'ai-cheng wen-t'i", (Hong Kong, 1949), p.103.

In the later period of economic restoration, capital construction was ideally to be planned in accordance with a specific strategy whereby the centre would focus its efforts on certain key projects, while local administration developed local industry, using local resources and manpower so as to fill in the production gaps, left by centrally-directed industry. This strategy went hand in hand with the philosophy of administration, outlined by Chou En-lai, in the decisions of March and May 1951. Chou then emphasized "centralized leadership and divided responsibilities" — an administrative concept which relates back to "centralized leadership and decentralized management". This emphasis was to facilitate a decentralization of administrative machinery consistent with self-reliance and local expediency.

One notes that Po I-po in 1952 stressed the importance of developing light industry producing the means of subsistence and means of production, needed by the peasants in the countryside. The following observation by Po indicates that he, like Chou and Mao, recognized the limitations for economic development which China's backwardness imposed, and that economic problems must be attacked from different economic vantage points:

"But taking into account the backward industry of China which for some time cannot possibly turn out machine-made goods to fully meet the peasants' needs, it is necessary to give real consideration to the use and development of the handicraft industry. ...Handicraft industries abound in China, employing large numbers of workers, and if properly utilized and developed, may make up for the deficiency in the machine industry to a certain extent."<sup>3</sup>

Behind this elementary perspective were ranged the four principles of the CPG's policy towards local industry, which had been clearly set forth in the GAC's decision, relating to production and construction of state industry in 1951: "Face the villages and solve the deficiencies of the broad peasantry in materials for daily

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3. Po I-po, "Strengthen the Party's Political Work in the Countryside", C.B., No.161, February 20th 1952, p.18.

necessities and the means of production"; "local industry is to do processing jobs for state enterprises"; "emphasize the use of local materials"; and "use local capital and labour in undertaking small and medium industry and especially in light industry which produces daily necessities".<sup>4</sup>

We have already reviewed the elaboration of the fiscal framework which was to facilitate the renewed emphases on self-reliance and local expediency. The March 29th and May 4th GAC decisions provided for a division of administrative functions and powers between central and local governments in managing fiscal and economic work.

The same emphases on self-reliance and local expediency were applied in the sphere of municipal finance. The GAR's March 31st decision on the regulation of municipal finance laid down the following precept:

"Certain necessary expenditures in cities should be guaranteed, but with limited state financial resources, it is not possible to grant subsidy to the local level, and efforts should be made for self-support." <sup>5</sup>

Under this policy emphasis, municipal governments were not simply to sit back and wait for subsidies from upper levels of government. The decision made it quite clear that subsidies would be forthcoming only in relation to absolutely essential projects. The municipalities were to organize actively whatever income could be obtained locally, and on this basis they were instructed to move away from a fiscal preoccupation with defraying expenditure towards construction finance. It was not surprisingly conceded that the historical conditions of liberation varied from place to place, hence industrial and commercial surtaxes were allowed to range anywhere from 10 to 25 per cent, depending on the locality.

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4. "Kuan-yü i-chiu-wu-i nien kuo-ying kung-yeh sheng-chan chien-she ti chueh-ting", (Decision relating to production and construction of state industry in 1951), in HTCCCTC, Vol.II, p.1033. Also refer to Carl Risken's remarks in "Small Industry and the Chinese Model of Development", C.Q., No.46, April-June 1971, p.247.
  5. "Decision on the Further Regulation of Municipal Finance", dated March 31st 1951, translated in SCMP, No.91, April 4-5 1951, p.18, (from NCNA, Peking April 4th 1951).

While it has been convenient to construct a chronology, separating the early period of economic rehabilitation from the later period of large-scale capital construction, it should be borne in mind that this in some senses is a heuristic determination, and, like most chronologies is subject to qualification. One cannot squeeze the different policy emphases of the early 1950's into two mutually exclusive chronological settings. The above perspective on local industry, which had been articulated by "regional leaders" (more correctly, national leaders with specific regional responsibilities) such as Po I-po, Ch'en Hsi-yün, Liu Lan-t'ao and Li I-ching did not disappear in the transition to large-scale capital construction.<sup>6</sup>

Thus, if we refer to the First Five Year Plan for an authoritative statement on the relation between local industry and centrally-directed heavy industry, we might note that the planning authorities anticipated a diminution in the value of local industrial output during the life of the plan to the order of a mere 3.3 per cent. The emphasis on heavy industry was qualified in the following way:

"The planned development of local industries relying on the initiative and creativeness of local authorities and people is an essential part of our Five Year Plan. Industrial establishments belonging to various sectors of the national economy...under local management account, at the present time, for a large proportion of the country's industrial output. In 1952, these local industries produced goods to a value of 16,090 million yüan. This was 59.6 per cent of the total value of industrial output in the country. In 1957 the corresponding figures will be 30,160 million yüan, or 56.3 per cent."<sup>7</sup>

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6. For example, see comments on the strategy for local industry by Ch'en Hsi-yün, "Basic Conditions of Economic and Financial Work during the Past Nine Months and the Tasks Ahead", C.B., No.146, December 24th 1951, p.21, or see Liu Lan-t'ao's comments in his directive of March 22nd 1951, "Several Important Work Tasks of the North China Region in 1951", CYTCCTFLHP, Series I-III, Vol.8, 1952, p.11.
  7. First Five Year Plan for Development of the National Economy of the People's Republic of China in 1953-1957, Foreign Languages Press, Peking, 1956, p.97.

The following rider was added, thus indicating that the planners of the CPG were aware that the possibilities for the development of heavy industry were limited:

"...in those vast areas which still lack an industrial foundation, we should devise measures suited to local conditions to develop local industries and handicrafts for the production of manufactured goods to meet local or national needs — goods which state enterprises under the central authorities and older industrial cities cannot supply. In doing this we must place reliance on local authorities and consider both local economic characteristics and over-all national needs for a balanced and co-ordinated industry."<sup>8</sup>

To a certain extent one can contrast Po I-po's emphasis with that of Kao Kang. In a report, dated May 7th 1952, Kao emphasized:

"We must concentrate our strength in developing our heavy industry and national defence industry. We are opposed to the theory of so-called 'balanced development' which argues from a partial viewpoint."<sup>9</sup>

Again in a speech of October 1st 1952, Kao stressed the importance of heavy industry, reminding assembled comrades that the capitalist path to industrialization relies on accumulation in light industry to aid heavy industry while the socialist path was characterized by the emphasis on heavy industry.<sup>10</sup>

One must, however, resist the tendency to accept post-purge rationalizations, vilifying Kao Kang as Stalin's protege in the Northeast. It was in the Northeast where "one-man management" was to have made its greatest inroads and where the lion's share of above-norm capital construction was located. Indeed, it was also in the Northeast that the art of planning achieved its highest point of development.<sup>11</sup>

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8. Ibid., p.98.

9. Kao Kang, "The 1952 Industrial Plan for Northeast China and Production of Extra Wealth", in People's China, No.12, June 16th 1952, p.7.

10. Kao Kang, "Usher in the New Period of Economic Construction", C.B., No.219, p.17 (from JMJP, October 1st 1952).

11. The pages of the Northeast Department of Industry's Tung-pei kung-yeh, (Northeast Industry), provide a detailed history of planning in the Northeast. Already in 1949, a composite plan had been drafted for Northeast industry, co-ordinating a production plan, detailing resources, control figures, productivity and quality standards with plans for transport, distribution, marketing and the investment of capita. See Tung-pei kung-yeh, Vol.1, No.1, August 1st 1949, p.6.

The documentation covering the fourth plenum of the CCPCC in February 1954, particularly emphasizes the problem of "dispersionism" and the denigration of the "unified leadership of the Party". Kao Kang was castigated for having violated the principle of collective leadership, and one is encouraged to assume a long history of attempts on the part of Kao and his associates to increase the state's power at the expense of the Party in the process of "taking the state plan as law" (kuo-chia chi-hua chiu shih fa-lu)

Franz Schurmann, for example, places the Kao-Jao Affair firmly within the context of the Chinese effort in the early 1950's to emulate Soviet experience, and has cast the February 1954 emphasis on Party leadership as opposed to "one-man management" in the following terms:

"One-man management thus can be regarded as a form of industrial management which was an essential part of branch-type administration. The one-man manager was solely responsible to higher-echelon branch agencies. Moreover, since one-man management was mostly implemented in the heavy industrial sector, it contributed to the power of the industrial ministries, over which Kao Kang, from his entrenched position in Manchuria and in the State Planning Commission, was able to exercise great power. Thus the way to fight Kao Kang, ministerial power, and one-man management was by stressing the collective leadership role of the Party."<sup>12</sup>

There will be further opportunity to comment on the fact that "dispersionism", in terms of the development of capital construction, was a general phenomenon, and not exclusively a manifestation of "independent kingdomism" in the Northeast.

What was the Party's position in relation to state administration of industry prior to Kao's February, 1954 discomfiture? In the context of the shift in the centre of gravity of Party work, the Northeast Bureau had acted very early to assert Party control over industry. In spring 1949, the NEB transferred 1,000 hsien committee and veteran cadres above the rank of magistrate to

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12. Franz Schurmann, 2nd edition, p.271.

industrial organization. These cadres took up posts as factory managers, secretaries of factory Party committees, trade union leaders, and between April 1949 and June 1953, their numbers increased sixteen-fold. In fact a total of 70,000 cadres were transferred.<sup>13</sup>

Was "taking the state plan as law" perceived as antithetical to mass-line politics, and did it necessarily involve the Party's retreat before the advance of the state in capital construction? Since 1949, the campaign to introduce economic accounting systems into Northeast enterprise had been linked with mass mobilization and the setting of production records. The policy emphases, which emerged in the GAC decisions of spring 1951, do not suggest a simple impulse to emulate Soviet experience. In 1951, the leadership was obviously concerned with horizontal as well as vertical co-ordination of different levels and systems of administration. There was a perceived need to insure an institutional inter-relation of ling-tao and chih-tao and the stress on inter-system co-ordination also meant greater emphasis on "unified Party leadership".

The Northeast Urban-Rural Work Conference of May 16th - June 2nd passed a resolution on Party leadership in state enterprise. According to the resolution, the Party had a fivefold function in relation to state enterprise, which included the "guaranteeing of" (pao-teng) and "supervision of" (chien-tu), (a) state technical and financial plans; (b) the implementation of higher-level Party policies (cheng-ts'e) as well as the implementation of higher level state and economic department directives and decisions, particularly with respect to the introduction of economic accounting into enterprise and the implementation of worker insurance regulations; (c) the realization of the factory-manager responsibility

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13. See "Speedily Assign a Large Number of Cadres to Strengthen the Industrial Front", SCMP, No.699, December 2nd 1953, p.2, from NCNA, Peking, November 22nd 1953.



system and the democratization of management; (d) the cultivation of cadres and the distribution of personnel, insuring the correct implementation of policy relating to management and technical staff and the investigation of counter-revolutionaries in enterprise; (e) the handling of violations of law and discipline and policy.<sup>14</sup> The Party's role was stressed in terms of the leadership of political thought and the uniting of political and economic work. In his speech to the conference, Kao Kang stressed Party leadership, noting that in the past local Party and administrative organs had regarded the production status of state enterprises as the responsibility of superior economic organs and had tended to shirk their responsibilities. Kao was critical of cadres in certain state enterprises, who had emphasized leadership of superior levels, and who had failed to respect the opinions of local Party leadership organs and the orders of local governments.

The Three- and Five-Antis mass campaigns were first launched in the Northeast under the leadership of the first secretary of the NEB, Kao Kang. In November 1952, the Jen-min jih-pao eulogized the virtues of the NEPG Department of Industry for the fine way in which the department had organized the study of theory for senior-level cadres in the last three years.<sup>15</sup> The department's study group was commended especially for its success in overcoming the tendency to neglect politics in production. The department had eradicated "departmentalism" and "routinism", and it was claimed theory had been successfully linked to practice.

At that time there was an emphasis on "unified Party leadership", but this emphasis was not seen in conflict with the "factory manager responsibility system" (i.e. one-man management). "Unified Party leadership" (tang ti t'ung-i ling-tao) was developed along familiar lines, and the Jen-min jih-pao editorialized

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14. "Chia-chiang cheng-chih kung-tso shih-hsing t'ung-i ling-tao" (Strengthen political work and realize unified leadership), JMJP, July 3rd 1952, p.2 and in SCMP, No.138, July 19th 1951, pp.15-17.
  15. "Pi-hsi chung-shih kao-chi kan-pu ti li-lun hsien-hsi" (Must emphasize theoretical studies of higher-level cadres), JMJP, November 26th 1952, also in HHYP, No.12, 1952, p.107.

on the importance of the following instruction by Mao in "Economic and Financial Problems":

"In a factory, administrative work, Party branch work and trade union work must be unified under a common objective and that is to carry out all possible economies (raw materials, tools, and other expenditure) and to produce as much as possible of the best possible goods, and, moreover, to sell these goods as quickly as possible under the best possible conditions. These three tasks of reducing costs, producing quality goods and the ready marketing of goods are equally the responsibilities of all three administration, Party branch and trade union acting in concert. A work method whereby each carries out these three tasks separately is completely wrong... on the contrary, it is the responsibility of the Party and trade union to insure the fulfilment of the production plan."<sup>16</sup>

In December 1952, the All-China Trade Union Congress passed a decision to launch a emulation campaign, based on a model factory in the Northeast.<sup>17</sup> This Factory 53 was held up as a model in all regions as GAR, provincial and municipal trade union organization were instructed to conduct short-term study sessions on the way in which the mass-line had been successfully applied in Factory 53. On the conclusion of study, work corps of seasoned cadres were to select one or two factories of key-points for developing Factory 53-type experience.

Liu Shih-hua, secretary of the Factory 53 Party Committee reported to the Basic-Level Work Conference of the All-China Trade Union Congress in December, 1952. He discussed inter-system relations, particularly with respect to the "factory-manager responsibility system". Commenting on the May 1951 decision of the NEB, which had set forth the concept, Liu criticized any tendency to view this system of responsibility as incompatible with the Party's "unified leadership":

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16. JMJP, December 28th 1952, reproduced in HHYP, No.1, 1953, p.26.  
 17. See JMJP, December 24th 1952.

"...the factory manager responsibility system is the policy and administrative strategy of the Party in enterprise. The factory's Party committee must strictly and unequivocally guarantee its practical realization. How do we insure that the factory manager responsibility system is implemented? We must emphasize the strengthening of political thought leadership and employ the methods of combining political and economic work."<sup>18</sup>

Liu's reasoning was consistent with the notion of "unified leadership" as set forth in Mao's "Economic and Financial Problems". Although the Party was not to supplant the state and was not to interfere with everyday operations, the Party had prerogatives of "after-the-fact investigation" (chien-ch'a) and "before-the-fact control" (chien-tu).<sup>19</sup> Liu defined the relation between the Party's leadership function and the factory manager's responsibilities in terms of the drafting of the plans as follows:

"Prior to the establishment of the periodic (annual, quarterly, monthly) Party plan, the factory manager will report either to the Party Committee or its Standing Committee on production tasks, administrative needs and problems in work, and the Party will then in terms of higher level directives and the concrete conditions of the specific factory organize study and discussion, unifying "fulfil-the-state-plan thought", clarifying key points and strengthening the methods whereby quotas are to be fulfilled and over-fulfilled. The factory manager will subsequently submit plans to the factory management committee for discussion and further solicit opinions."<sup>20</sup>

One might draw attention to the fact that in February-March 1954, Kao Kang did not stand accused of having perpetrated the "factory-manager responsibility system". An editorial in the

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18. Liu Shih-hua, "Wu-san kung-ch'ang tang ti chieh-shao", (Introduction to the Party of Factory 53), Kung-jen jih-pao, December 27th 1952, in HHYP, No.1, 1953, pp.29-36, here.p.35.
  19. Franz Schurmann carefully draws the distinction between "chien-ch'a" and "chien-tu". See his second edition, p.332.
  20. Liu Shih-hua, op.cit., p.35.

Jen-min jih-pao on February 16th 1954, emphasized that this system was consistent with 'unified Party leadership'; the following statement clarifies the point:

"It must be emphasized that while stressing unified leadership of the Party we do not lose sight of the importance of a division of labour and responsibility under unified leadership. ...The superintendant responsibility system introduced in state factories and mines, for instance, is required by the very production process of modern industry. ...It is associated with democratization of management.... It does not contradict the collective leadership of Party Committees in Party organizations in enterprises."<sup>21</sup>

Kao was criticized for attempting to represent himself as the leader of the "revolutionary base areas", and he was criticized for having engaged in "unprincipled struggle" and for having violated basic principles of Party life, but there is no suggestion that he reduced the Party's role in state enterprise. It is, therefore, questionable whether Kao can be said to have championed a Stalinist line, which favoured verticle branch-style administration at the expense of the Party's role in state enterprise.<sup>22</sup>

In the light of the preceding discussion on planning and industrial strategy, we can move on to discuss the early attempts to plan economic construction, particularly reviewing the inter-relation of different levels and systems of administration and the implementation of plans for construction and production.

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21. Hsü Pang-i, "Kuan-ch'e tsung lien-chien pi-hsü chien-chih tang ti t'ung ling-tao ti yüan-tse", (We must vigorously grasp the principle of the Party's unified leadership to thoroughly implement the general line), JMJP, February 16th 1954, reproduced in HHYP, No.3, 1954 and available in SCMP, No.775, March 26th 1954, p.14.
  22. See William Brügger, "'Democratisation' and 'Enterprisation' in the Chinese Industrial Enterprise - A Socio-Political Perspective", University of London PhD thesis, November 1971, p.313.

From the very beginning the Chinese leadership stressed its commitment to economic planning. Indeed, this commitment was explicit in the san-p'ing policies of 1950.<sup>23</sup> Despite the lack of statistics, despite problems of administrative distance, despite the problems of new democracy and the reconciliation of the five different sectors of the economy, despite the extreme unevenness in the introduction of modern business practices into government departments and enterprise, the centre planned.

In the years of economic restoration, there was no single composite national plan, but there were the many plans of specific CPG ministries as well as those of the Economic and Finance Committees of the GARs. Planning often lost its guiding role and often appeared as an after-the-fact collation of statistics. Often the planning process was disrupted by the late submission of regional plans and the late drafting of national plans. Ministries frequently failed to achieve targets in the first and second quarters and as a consequence had to do shock work in the last quarters.

During economic restoration, there was a tendency to devolve planning responsibilities to the GAR level. Although the Organic Regulations of the GAR People's Governments did not specifically include economic planning as a prerogative of the GAR governments, this devolution was rationalized in terms of the unevenness of economic integration.

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23. There was even speculation in October 1950 that the Chinese would attempt a five-year plan for 1951-55. See S.B. Thomas' comments to Lucknow Conference of 1950, convened by the Secretariat of the Institute of Pacific Relations. S.B. Thomas, "Recent Political and Economic Developments in China", Secretariat Paper No.9, p.70.

Together with the CPG ministries involved, the GAR departments of industry drafted production and cost and labour plans in accordance with GAC Economic and Finance Committee control figures.<sup>24</sup> The production and capital construction plans for local industry, not included in the centre's plans for local industry, were the special charge of the GAR level.<sup>25</sup>

In the spring of 1951, Chou En-lai called for a greater division of administrative responsibility so that the over-burdened central authorities could concentrate on key projects. The circumscribing of the planning competence of the CPG Ministry of Light Industry reflects lessons, learned in 1950, and the new organizational emphases of 1951. The Ministry's plans for match and paper production in 1950 ended in a fiasco. The 1950 match production plan had been drafted with the intention of limiting production so as to bring production in line with failing marketing conditions, but over the year many localities increased production without authorization, and the consequence was a mountain of matches at the year's end.<sup>26</sup>

The plan to increase paper production also ran awry, particularly as the cessation of foreign imports and the increase in demand, which materialized with the economic upswing in the latter half of 1950, exacerbated an existing paper shortage.

As for the Ministry's 1951 plans, in the absence of adequate statistics as to production and marketing conditions, central planners felt compelled to abandon a comprehensive plan and focused on four local industries, paper, rubber, matches and medical supplies. As a result of a series of national conferences on local industry in 1950, some statistics had been collated, and these four industries were credited with national significance. But except for the

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24. See Section One of the decision in HTCCCTC, Vol.II, pp.1032-33.

25. See Section Three of the decision

26. CPG Ministry of Light Industry, "Tui ko-ti ching kung-yeh pien-chih i-chiu-wu-i nien sheng-chan chi-hua ti piao-shih", (Directive regarding the drafting of 1951 plans for light industry production), HTCCCTC, Vol.II, pp.1103.

production of medical supplies the Ministry lost is planning initiative. Regional variations were very great, as were administrative distances, hence regional committees and industrial departments came to exercise ling-tao in relation to the planning of local industry.

To take the paper industry as an example, local public and private factories drafted plans in accordance with their particular conditions of supply of raw materials, marketing possibilities and production capabilities. These factory plans were then collated by GAR departments of industry, or in the case of North China, by provincial bureaux of industry. Plans were subsequently drafted in the context of regional production conferences, and copies were forwarded to lower levels and to the Ministry of Light Industry.<sup>27</sup>

"Centralized leadership and divided responsibilities" also meant that the opinions of GAR committees were sought prior to, and their agreement obtained subsequent to, decisions made at special conferences convened by CPG ministries to co-ordinate production plans. "The Provisional Measures on Capital Construction", promulgated on January 9th 1952, vigorously defined the division of administrative responsibilities between centre and GARs in relation to capital construction projects.<sup>28</sup>

These measures provided for the setting up of special organs to supervise capital construction in the industrial ministries of the centre and in the Economic and Finance Committees of the GAR. In the case of category "A" construction projects, the centre exercised a very close degree of control. In this category the initial proposals, or statement of plans, came either from the CPG ministries or the GARs, but responsibility

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27. Ibid., p.1101.

28. See CFJP, January 19th 1952, p.2, for the entire Chinese text. A paraphrased translation is available in Chao Kuo-chun, Economic Planning and Organization in Mainland China: A Documentary Survey (1949-1957), Vol.1, pp.64-68. Complete translation in SCMP, No.469, December 10th 1952, pp.18-34.

for the "preliminary design" (ch'u-pu she-chi) and the "technical plan" (chih-shu chi), clearly rested with the centre, and it was the latter which provided the basis for the final blueprints. However, in terms of category "B", which like category "A" only covered above-norm projects, either the GARs, or central ministries could assume responsibility for the approval of the "technical plan".

But the level of planning decentralization was greatest in categories "D" and "C", and these two latter categories included the bulk of local state industry; for example, the GARs bore responsibility for the control of capital investment and planning of construction of category "D" and "C" light industry such as rubber, paper, leather, oil-extraction, flour milling, etc.

The centre's involvement in construction planning varied, depending on the amount of capital outlay as well as the nature of construction. The third article of the Measures, for example, distinguished "new construction" (hsin-chien), "reconstruction" (kai-chien) and "restoration" (hui-fu). The centre's involvement particularly related to "new construction" in areas of production, where there was no existing foundation upon which to build.<sup>29</sup>

The structure of fiscal support for investment in capital construction, as outlined in the Measures was consistent with the rationale, outlined in Chou En-lai's March 29th 1951, decision. It was specifically stated:

"Financial estimates for capital construction shall be prepared and reviewed and the allocation of funds shall be according to either of the two administrative systems -- the CPG (including enterprises entrusted to the care of the administrative regions) or administrative regions (including local enterprises) -- depending on which ever system to which a construction unit belongs."<sup>30</sup>

Except in the case of "above-norm" construction units, which had to submit a statement of plans to the relevant CPG ministry for forwarding to the GAC Economic and Finance Committee, all

29. See SCMP, No.469, p.18.

30. See Article 20, SCMP, No.469, p.24.



construction units under GAR leadership had to be approved under a procedure worked out by the different Economic and Finance Committees of the various GAR governments.

During the period of economic restoration, the CCP leadership was perennially confronted with a series of planning disasters. The shift in the centre of gravity of Party work was not easily accomplished as cadres, who had moved from the villages into the cities, knew little of the intricacies of economic planning. There was often blindness in production due to the persistence of "supply system thought" (kung-kei ssu-hsiang). Problems encountered in the Northeast in 1949 were greatly amplified in the "newly liberated areas" in 1950 through 1952. The lack of experience in terms of modern business practices and planning techniques was evident at all levels of leadership in all regions. The following editorial comment summarizes the problem for us:

"In the bringing forth of the industrial planning process from the midst of comrades in enterprise work, there is a series of many-sided and enormously difficult tasks. New systems must be established; old systems must be changed. The cadres will have to write various types of reports and will have to mobilize the workers and organize study. These tasks are completely new to us and we have little experience.

Presently, there are those cadres in enterprise work who often ask: "What is a plan?" "How do we plan?". These questions show up the conditions which we are talking about."<sup>31</sup>

These problems were experienced at the highest levels of CPG. Po I-po, who, as Minister of Finance from October 1949 to September 1953, was greatly responsible for the national unification of economic and financial work, reviewed the centre's efforts to plan the economy during the years of economic restoration. Po did not

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31. Chang Kuang-tua, "Kuo-ying ch'i-yeh ching-chi chi-hua ti pien-chih kung-tso", (Drafting of the economic plans of state enterprise), Chin-pu chih-pao, November 14th 1950, in HHYP, Vol.3, No.1, p.129.

play with a metaphorical allusion to "midwifery"; he candidly admitted that his own ministry failed in leadership:

"We were short of cadres and had too many things to do, things mostly new to us. Consequently, less leadership was given to concrete business of the various departments by the Committee of Economic and Financial Affairs, leadership work not being broad and deep.... Blind initiative in construction projects frequently smashed the state budget, yet the Ministry of Finance had not devised ways and means of changing this state of affairs. Nor has the Ministry of Finance exercised proper supervision and taken steps to change such a state of affairs as the waste of state funds, excessive outlay for non-productive purposes, expansion of personnel organization."<sup>32</sup>

Po did not underestimate the problems in central economic planning; for example, In July 1951, the Ministry of Heavy Industry had reported on an investigation of basic construction under its jurisdiction. It was noted that the lesson of self-reliance had yet to be learned as "asking for more money to do more work" had adversely affected leadership thought at all levels.<sup>33</sup> The GAC Committee of Economic and Financial Affairs in a directive of August 1952, calling for the strengthening of planning of capital construction, conceded that the centre was not in a position to determine figures on productivity increases because leadership departments had failed to carry out check-ups in a serious, responsible manner in 1951.<sup>34</sup>

A Jen-min jih-pao editorial attempted to justify the weakness in capital construction work over the last three years by drawing attention to the fact that the centre had been distracted by agrarian reform, the Suppression of Counter-Revolutionaries and Resist-US Aid-Korea Campaigns, and in the economic terms the restoration of

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32. See SCMP, No.492, January 15th 1953, p.5.

33. "Report of the Ministry of Heavy Industry on Inspection of Basic Construction Work of the Factories and Mines Directly under the Ministry", C.B., No.119, October 1st 1951, p.7, from JMJP, July 28th 1951.

34. See SCMP, No.155, August 16th 1952, pp.11-16, from NCNA, Peking, August 14th 1951.

production had had to be given priority.<sup>35</sup> The paper went on to explain that the planning of capital construction had been confounded by both leftist and rightist deviations. Leftist cadres had taken the confusion in capital construction too lightly, had failed to see the difficulties of modern industry, simply equating such industry with handicrafts. If the leftists did not plan nearly enough, the rightists had overplanned to the point of preventing the start of work.

Difficulties in planning were manifest in all regions and departments. The Northeast had started early and there was a heavy concentration of personnel there, hence it is not surprising that planning was more successful there, but even in the Northeast performance varied from department to department. In April 1951, the NEPG People's Economic Planning Committee reported that Departments of Forestry and Trade as well as the Bureau of Inland-Water Navigation did not fulfil their 1951 targets, whereas the Department of Industry surpassed its 1951 target for total production by 13.4 per cent.<sup>36</sup> In 1951, 80.8 per cent of planned capital construction was achieved — a respectable plan fulfilment in comparison with other GARs, or CPG ministries.<sup>37</sup>

By way of contrast, there were serious planning catastrophes in East China. Wang Ti-min, director of the ECMAC Economic and Finance Committee's new Capital Construction Office, estimated that only 57 per cent of 1951 plans had been consummated. Wang spared neither himself, nor his department, and also seemed to be pointing his finger upstairs at the ECMAC Economic and Finance Committee itself, when he made the following damning statement:

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35. "Pa chi-pen chien-she fang tsai shou-yao ti-wei", (Give capital construction priority), JMJP, December 17th 1952, p.1, in HHYP, No.12, 1952, p.10.
36. "Official Report on the Carrying Out of the 1951 People's Economic Plan in the Northeast, C.B., No.177, May 5th 1952, p.2, from JMJP, April 15th 1952.
37. Ibid., p.8.

"The distribution of investment could only be considered individually for different departments without calling together the various departments to make an overall plan. No fixed standard for compilation and consideration documentation of planning and only plans of a few organization units were considered and approved by this committee during the fourth quarter. The annual plans of construction units were placed on record, but were not yet considered by the East China Finance and Economic Committee, while the composite annual plans were still not completed towards the close of the year, thus in practice losing their guiding role of planning."<sup>38</sup>

In 1952, Wang could no longer plead "lack of fixed standards for compilation and consideration of documentation of planning", as the GAC Economic and Finance Committee took action to rectify the situation, promulgating on January 9th 1952, "Provisional Regulations for Capital Construction Work". Yet again in 1952, Wang had to report a verious serious disruption in the plans for that year. He noted that the unfolding of the Three- and Five-Antis Campaigns had delayed the drawing up of plans. The composite annual plan for East China was only drawn up in July, and the provincial and municipal plans were reported only in mid-September,<sup>39</sup> whereas plans for industry, for example, should have been submitted to the CPG Ministry of Industry in late May.

Wang was excruciatingly frank in his diagnosis of the problems in East China planning. Some cadres in charge of planning were said to lack experience in large-scale planning. They failed to co-ordinate supply, production and marketing. Still under the influence of "supply thought", they failed to investigate costs and too freely asked for funds. One factory, which Wang singled out in his remarks, had actually drew up its annual plan in one half hour. Furthermore, the failure to acknowledge the distinction between production and capital construction funds was alarmingly widespread. Despite the

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38. Wang Ti-min, C.B., No.227, February 1st 1953, p.6.

39. Ibid., p.7.

obvious lack of trained personnel (dramatically illustrated by the fact that there were only three people in the whole of the East China Department of Industry, who were engaged in the allocation of tens of billions of yüan in 1951), Wang refused to accept the rationalization of the basic-level units, which claimed that the superior levels had failed to send down adequate instructions. Such criticism, he felt, was quite one-sided, although he did concede that there was an element of truth in the common expression, "socialist target above but broken cart pulled by an old ox below".

The 1952 plan was similarly crude, inaccurate and late. Departments, provinces and municipalities, such as the East China Department of Industry, Anhwei and South Kiangsu requested additional items after plans had been submitted. Due to the delay in the submission of plans, of forty-five above-norm projects in categories "A" and "B" only eight (one in "A" category and seven in "B" category) were approved on time. Wang was especially concerned as the planning load of the GAR level had been increased with a September 1952, directive of the GAC Economic and Finance Committee, which devolved the responsibility for dealing with comprehensive annual plans to the GARs.

In the course of the reorganization of state administration in November 1952, the centre attempted to reinforce its own planning capabilities by absorbing relevant GAR departments more directly into its vertical pyramid of administrative command. Under the reorganization, CPG ministries acquired direct control (i.e. ling-tao) particularly over GAR bureaux, involved in economic activity and capital construction, although the leading committees under the various GAR administrative committees were to continue to exercise prerogatives in the more limited terms of "supervision" (i.e. "After-the-fact investigation", chien-ch'a) and "guidance" (chih-tao). The reorganization had the effect of

downgrading GAR departments to bureau status and to a certain extent the emphasis on horizontal co-ordination was reduced as a result of the GARs' loss of status as local people's governments.

Despite the reorganization, the GAR level was not disengaged from the sphere of economic planning. In fact, organization at the GAR level expanded in terms of the establishment of construction, design and engineering units. Against the background of the reorganization, Li Hsien-nien in his report to the first plenary session of the new Central-South Administrative Committee outlined the responsibilities of GAR administration as follows:

"The Central-South Administrative Committee is the administrative agent of the Central People's Government. The committee has the responsibilities of direct control [ling-tao] and after-the-fact investigation [chien-ch'a] with respect to the work of the various levels of people's governments in the Central-South regions and also has the responsibility to exercise guidance [chih-tao] and before-the-fact investigation [chien-tu] in relation to those organs in the Central-South directly under ministries of the Central People's Government, and moreover the committee must take the responsibility of insuring that the centre's policies and strategies are carried out correctly and that the national construction plan is faithfully implemented. Although the organizational form and responsibilities of the committee have been changed and although some organs have been transferred to the direct control of various central ministries and the committee's relation with the various levels of people's governments is slightly different than it was; nevertheless, the responsibilities of the Central-South Administrative Committee have not been lightened."<sup>40</sup>

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40. Li Hsien-nien, "Chung-nan ch'ü kuan-ch'e i-chiu-wu-san nien san jen-wu ti chü-t'i an-p'ai ti pao-kao", (Report on the concrete arrangements for the implementation of the three great tasks of 1953), February 21st 1953, in HHYP, No.4, 1953, p.73. Kao Kang also pointed out that while the decision to reorganize and centralize must be fully implemented, cadres at the GAR level were not to relax their efforts. See JMJP, December 4th 1952, p.1.

Prior to the reorganization, regional bureaux of the CCPCC and MAC departments had particular responsibilities in relation to the rational employment and allocation of skilled personnel,<sup>41</sup> and units of GAR organization continued to operate in the same functional context after reorganization. The SWAC, for example, promulgated "Provisional Measures for the Unified Distribution of Labour Force for Building Construction in the Southwest Region". The pattern was similar to that of the 1950 Southwest Committees for Personnel Registration and Warehouse Inventory and Clearance. Under the Measures, the SWAC attempted the unified registration of the labour force, and all capital construction units had to report their personnel needs to local organizations for labour distribution. Distribution would then be in accord with construction priorities, set at higher administrative levels.<sup>42</sup> Such action reduced inter-departmental warfare over the assignment of scarce personnel.

During 1953, there were widespread problems in local industry despite the campaign launched by the regional bureaux to expedite "unified Party leadership". From the start of 1953, the GARs took capital construction as one of their basic tasks and initiated a round of conferences, sponsored by the CCPCC regional bureaux and the bureaux of the new administrative committees to lead the struggle against blind production, "supply thought" and conservatism.

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41. For example, in July 1952, the JMJP reported that the authorities in Northeast and North China drafted measures for the rational redistribution of technical personnel in those regions. See SCMP, No.398, August 19th 1952, p.14, from JMJP, July 28th 1952. On July 6th 1952, the NCNA reported that 8,000 Party cadres had been transferred to industry and large numbers of elite workers had attained Party membership in North China. See SCMP, No.369, July 6th 1952, p.23.
42. SCMP, Supplement No.677, October 22-28 1953, p.xxxii, from Hsin-hua jih-pao, Chungking, July 29th 1953.

We might take activity in the Central-South as an example. In the first half of 1953, 789 Party cadres were transferred from hsien-level and above to participate in capital construction work. According to the statistics of eight Central-South factories and mines, 2,330 cadres were transferred from production units to capital construction units. In 1952, there were no more than 10,000 workers involved in capital construction in all of the Central-South; however, that number quickly increased to 45,000 in the first half of 1953; and the Central-South Construction Bureau could boast nine planning units with more than 1,000 personnel involved in planning.<sup>43</sup>

But the Central-South authorities in the first half of 1953 achieved only 25 per cent of the annual plan and failed miserably to meet the centre's demand for "better, faster and economical results". Performance in the Central-South contrasted rather sharply with performance in the Northeast. Considerable coverage in the national and regional press was devoted to production miracles in the Northeast. Local state industry there achieved 103.1 per cent of projected targets,<sup>44</sup> but in the Central-South, leading GAR authorities found it necessary to readjust local state industrial enterprise. A rectification campaign exposed monumental planning errors. 4,000,000,000 yüan was spent to build the Hung-kiang Paper Mill in Hunan; however, the plant had not gone into production due to a glut of paper. 330,000,000 yüan had been spent building a special road to service the Yung-hsing Coal Mine in Hunan, before it was discovered that the mine's reserves were almost

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43. "Chung-kung chung-yang chung-nan ch'ü chao-k'ai ch'üan-ch'ü chi-pen chien-she hui-i", (Central-South Bureau convenes regional capital construction conference) in Chang-chiang jih-pao, August 18th 1953, reproduced in HHYP, No.9, 1953, pp.138-139 for a review of capital construction in the Central-South.
44. SCMP, No.673, October 22nd 1953, pp.22-24, from JMJP, August 19th 1953.



exhausted.<sup>45</sup> Cadres failed to make local industry serve state industry, and the CSAC bemoaned the low rates of equipment utilization in local state industry.

To certain extent the centre had to share part of the responsibility for the problems in local industry. Teng Hsiao-ping, who had newly replaced Po I-po as minister of finance in 1953, noted in his budgetary remarks of 1954 that the Ministry had failed to honour "local expediency". The principle set forth in 1951 to the effect that surplus revenue would be ploughed back into enterprise was not observed with the result that tight credit adversely affected local industry in 1953.<sup>46</sup>

On the eve of the Second Five Year Plan, Chou En-lai pointedly reminded his colleagues of the problems encountered in capital construction in 1953:

"...in 1953, in the construction work of some departments and localities there appeared the tendency to do everything at once and do it everywhere, taking no account of actual conditions, and recklessly running ahead. As a result, this affected the priority construction projects of the state, gave rise to difficulties in finance and waste of manpower and material resources."<sup>47</sup>

It is little wonder that publication of the First Five Year Plan had been delayed!

In 1953, the 1951 strategy whereby a division of labour was to be achieved so that the centre could co-ordinate "key points with over-all arrangements" failed. The failure, however, should be placed in the context of the heady political climate of the times, and one must also measure this failure against the problems of administrative distance, particularly in terms of the prevalence

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45. SCMP, No.695, November 25th 1953, pp.26-21, from NCNA, Wuhan, November 21st 1953.

46. SCMP, No.832, June 19-21 1954, pp.11-17, here p.16.

47. Chou En-lai, "Report on the Proposals for the Second Five Year Plan for Development of the National Economy", 8th National Congress, September 16th 1956, Supplement to People's China, No.21, November 1st 1956, p.7.

of low policy levels and the lack of expertise on the part of leading cadres, who had found it difficult to make the transition from village to city.

Certainly, the planning of capital construction was one of the most problematic spheres of administrative activity, and one is reminded that Mao, when he later looked back on the year 1950-57, was ready to admit:

"We couldn't manage the planning, construction and assembly of heavy industrial plants. We had not experience. China had no experts, the minister was himself an outsider, so we had to copy from foreign countries, and having copied we were unable to distinguish good from bad."<sup>48</sup>

The "copying", Mao refers to, became particularly evident in 1953 and 1954, but it does not seem to have had all that much to do with the political fortunes of Kao Kang, as the trend, emphasizing the vertical in government administration, became more pronounced after Kao's fall. Indeed, it is ironic that Kao Kang, as Stalin's "friend" in the Northeast, should have been singled out for "dispersionism", as planning was less affected by "dispersionism" in the Northeast than elsewhere.

On January 13th 1954, in the Jen-min jih-pao attacked certain cadres in certain ministries for their "small producer dispersionism" (hsiao-chan che ti fen-san chu-i).<sup>49</sup> The editorial stressed that the complexities of industrialization necessitated a maximization of co-ordination between the different CPG ministries. The "division of specialized responsibilities system" (fen-kung chuan-tse chin-tu) and co-ordination between ministries was stressed but there was no discussion of the 1951 emphasis on "divided responsibilities".

A Jen-min jih-pao editorial, dated February 20th 1954, significantly re-emphasized the theme, "crack troops and simple administration" as being consistent with Soviet experience, and cited the authority of Stalin for a reorganization, which would

48. Mao Tse-tung, "Talks at the Chengtu Conference", March 1958, in Stuart Schram, ed., *Mao Tse-tung Unrehearsed*, p.98.

49. "Chia-chiang kuo-min ching-chi ko-pu-men ti p'ei-ho ho hsieh-tso", (Strengthen co-operation and co-ordination of national economic ministries), JMJP, January 13th 1954, in HHYP, No.2, 1954, p.138.

bring leading organs closer to enterprise level. The following instruction calls for personnel allocation in favour of enterprise level:

"Therefore, all economic departments should, on the principle of contracting upper-level leading organs and augmenting the staff of production units and capital construction units at lower levels, retain only the essential personnel and transfer all the other cadres to factories and mines."<sup>50</sup>

The following comment broadly hinted that China's leadership were reconsidering the structure of state administration as a whole:

"Consideration should now be given to abolition or amalgamation with similar organs of all those organizational structures which are overlapping with unclear division of labour, or are required at one place but not required at another, or are required at present but not required in the future, or were required in the past but are not required at present..."<sup>51</sup>

The following June, the CPGC determined that the present was no longer to include the GAR administrative level.

In the process of coming to grips with the unevenness in the pattern of political integration, and in the effort to move from a condition of "dispersion" to "unity" and overcome to phenomenon of "semi-autonomous administration by various levels", the CCP drew on lessons and experience, gained in wartime China. The sum of this administrative experience can be added up in the policy decisions of spring, 1951. In certain respects the 1951 pattern represented a bold experiment in government and a creative transposition of border region experience to a higher plane of national integration, but it also represented a reaction to

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50. "Ching-chien hsing-sheng chi-kou t'i-kao kung-tso hsiao-shuai", (Simplify administrative machinery, raise work efficiency), JMJP, February 24th 1954, in HHYP, No.3, 1954, pp.21-22. Translated in SCMP, No.758, March 3rd 1954, pp.15-18. This editorial is viewed by Dorothy Solinger as leading up to the abolition of the GAR level. See D. Solinger, Regional Government and Political Integration: The Case of Southwest China 1949-54, p.54.
51. SCMP, No.758, p.17.

compelling circumstances, as the CCP related to the over-centralization of 1950. The emphasis on Soviet experience became more strident in 1953 and 1954, and in the course of the assertion of a more rigidly vertical pattern of centralization administrative emphases such as "local expediency" and "centralized leadership and divided responsibilities" lost certain currency.

## V

MASS MOBILIZATION AS "POLITICAL INTEGRATION"i) "Administrative Distance" and Leadership Problems in the Activation of the Mass Line

In moving from a study of the dynamics of policy implementation in the administration of the new national economy to a review of mass politicization, it becomes necessary to broaden the frontiers of analysis so as to encompass larger connotations of "political integration". "Political integration", as it relates to the consolidation of new Party and state structure, must include reference to the mass line. In the CCP's scheme of the universe, political action can hardly be confined to formal structure. The popular organization of social forces was pivotal to both united front strategy and the guerilla experience in the countryside.

A full treatment of "political integration" would thus entail a detailed analysis of the relation between cadre and the masses; however mass mobilization is here discussed more in terms of the cadre and the limitations of the structuring and strategy of the mass line in relation to administrative distance. "Administrative distance" is defined in terms of the ability to convey and insure implementation of policy, in terms of the ways in which the leadership hoped to overcome abysmally low "policy levels" and the consequent proliferation of deviations in cadre work and also in terms of the attempt to co-ordinate various formal and informal systems of organization. Consideration of "administrative distance" will hopefully shed some light on the larger issues, in particular the degree to which "political integration" in its broadest sense of the generation of ideological commitment in the course of social revolution, was actually realized.

There are obvious advantages in approaching the larger issues with a consideration of "administrative distance". Firstly, one is keenly aware of the enormous methodological difficulties which arise in any attempt to demonstrate empirically the level of mass

consciousness in China. The quantitative indices, set forth "with fanfare" by the CCP, not only fail to conform with the primary emphasis of the CCP's own definition of "political integration" as a genuine and voluntary act of internalizing ideology, but are highly suspect as empirical indices of "political integration". The totting up of millions of signatures, for example, does not stand as an adequate measure of the level of mass consciousness, as one can only speculate as to whether a high number of signatures represents an intensity of Party pressure or a genuine, voluntary assimilation of ideological statement.

Secondly, "political integration" is relative; it is an ongoing process, which can hardly be confined to a discussion of mass mobilization in the early 1950's. At best the CCP in the early years achieved the organizational prerequisites for the exercise of the mass line throughout the nation. A great deal of the information, discussed below, suggests that the politicization of China's vast population was not to be encompassed in one or several campaigns.

Discussion in this section highlights the CCP's own definition of "political integration" in relation to the problems of leadership and the reconciling of contradictory policy emphases, which seemed to pull towards two different poles at the same time. On the one hand, production necessitated, and definitions of leadership required, an emphasis on organized social control, while on the other the generation of consciousness and the internalization of ideology was necessary to the furthering of "political integration". Needless to say, the implementation of policy, based on such competing emphases, was an exceedingly difficult task, particularly in the context of weak and embryonic Party organization at the basic levels of society.

Discussion, structured in these general terms, will hopefully serve as introduction to more specific remarks on the problems of strategy, explicit in "leaping from points to surface" in agrarian reform in the "newly liberated areas", and the parameters of the

discussion can subsequently be expanded to include a review of "rectification" in the Three Seasons, Three- and Five-Antis Campaigns as a solution to organizational decadence and "counter-revolution".

The CCP's perspectives on "political integration" often stands directly at variance with many of the underlying theoretical assumptions, explicit in Western scholarly research. Behind the notion of "rectification", for example, stands an appreciation of the relation of ideology to organization. In the CCP's vocabulary, "formalism", "usurpism", "mechanical viewpoint" are anathema. The manifestation of such phenomena is antithetical to "political integration". Furthermore, in the CCP's terms, organization, which lacks the motivation and discipline, which originates with ideological commitment, is not only counter-revolutionary, it is irrational. This perspective militates against sociological perspective, which capitalizes on the distinction between charisma and organization. In the CCP's terms, the mass campaign need not be seen as an irrational disruption of a political process.

In the western mind, the mass campaigns commonly convey an impression of the grinding of monolithic political forces and a crushing degree of regimentation and conformity, and curiously this Orwellian depiction of the extremes of state control is often explicit in the same characterization, which would stress the campaigns as instances of bloody anarchy. This caricature of monolithic political forces belies the fact that the campaigns were highly decentralized. Furthermore, one is obliged to review more carefully the CCP's attempt to balance needs for social order and the generation of ideological commitment through struggle.

The sanctity of the individuals's civil freedoms, the elaboration of an institutional structure, safeguarding those freedoms, are of course cherished in the Western liberal tradition, thus there is a tendency in some circles to view mass campaigns of the early 1950's as irrational political phenomena, disruptive of

the process of political consolidation and antithetical to the development of organization. It is argued, for example, that the mass campaigns inhibited the development of law in the People's Republic of China.<sup>1</sup> It is argued more specifically in the following statement of analysis that in the early 1950's the CCP's leaders deliberately down-played the role of the People's Procuratorate so as to insure that the agency's reputation as a "guardian of latter-day normal legality" would not be "impaired" in the course of mass action:

"If the procuratorate were to become too closely identified in the public mind with the 'simplified' justice so lavishly meted out in the young years of the new order, its ulterior usefulness as a guardian of latter-day 'normal-legality' could end up so gravely impaired as to render it almost valueless from the regime's point of view."<sup>2</sup>

It seems almost pedantic to note that the "regime's point of view" did not originate with either John Locke or Max Weber.

Mao in his speech "On New Democracy", specifically indicated what he meant by "the system of government" (cheng-t'i):

"As for the question of 'the system of government', this is a matter of how political power is organized, the form in which one social class or another chooses to arrange its apparatus of political power to oppose its enemies and protect itself."<sup>3</sup>

The Chinese leadership accepted the Marxist view that the legal system is to be utilized as a tool of class conflict. In the course of agrarian reform, the Campaign to Suppress Counter-Revolutionaries and the Five-Antis Campaign, this perspective was applied to reality, and the system of "people's tribunals",

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1. See Alice Tay, "Gemeinschaft, Gesellschaft, Mobilisation and Administration: The Future of Law in Communist China", Asia Quarterly, No.3, 1971.
  2. George Ginsburgs, Arthur Stahnke, "The People's Procuratorate in Communist China: The Period of Maturation, 1951-1954", CQ, No.24, October-December 1965, pp.53-91, here p.65.
  3. Mao Tse-tung, "On New Democracy", SW, Vol.11, p.352.



operated alongside the formal judiciary structure and the people's courts.<sup>4</sup> Although the mass line was operative in relation to the state legal system, it should be stressed that the Chinese leadership shared Lenin's abhorrence of spontaneity.

Much of what is said immediately below relates to this central problem of balance in the implementation of the mass line in the early 1930's. How did the CCP leadership balance the need to further political integration through the generation of ideological commitment in the course of mass mobilization and class confrontation and the need to insure social order and the clear exercise of leadership?

In 1950, the Party's thinking was dominated by the need for production in the light of the economic and fiscal crisis, which developed over the first months of 1950. The re-establishment of social order was essential to production. It was essential to the restoration and development of urban-rural trade interflow; and it was essential to the fight against inflation, to the penetration of jen-min pi into the countryside, the collection of the public grain tax, etc. The CCP's leaders were aware that the new regime's legitimacy rested on its ability to overcome inflation and quickly to achieve pre-war peaks of agricultural and industrial production.

Experience of land reform excesses in the Kiangsi period and again in North China in 1946-47, had left the CCP leadership with a profound impression of the importance of conducting class struggle under carefully controlled (as opposed to contrived) conditions. Social order was a prerequisite of class struggle! If the government could not demonstrate an ability to control the forces of anarchy and reduce endemic banditry, which persisted despite the nationwide military victory over the KMT, there was little hope of successfully launching class struggles in the villages.

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4. At times, democratic party personages and even CCP cadres in political and legal departments of the CPG have argued for a more discrete functioning of the mass line in relation to formal state structure; for example, Lo Jui-Ching, Minister of Public Security, attacked non-Party "reactionaries" for having portrayed the mass campaigns as illegal. See BCMM, February 10th 1958, p.13, from Hsueh-hsi, No.1, January 3rd 1958. Similarly in November 1959, the JMJP criticized those who talked of spontaneity in order to discredit the mass line. SCMP, No2152, December 9th 1959, pp4-6, from JMJP, November 11th 1959.

The CCP did not readily contradistinguish themes of production and class struggle in the elaboration of policy emphases. For example, it was claimed that agrarian reform would unleash tremendous productive forces in the countryside. Although these themes were not counterposed at the level of ideology, one can discuss the different weights assigned to these themes in the adjusting of the "centre of work" (chung-hsin kung-tso). The relation of production and class struggle was thus subtle and complex, and it is not therefore surprising that there was considerable confusion and disorientation amongst basic-level cadres in the villages.<sup>5</sup>

Sudden alterations in the "centre of work" over-taxed the communication facilities of the new state and Party structures. Announcement of a new "centre of work" was not enough to insure its implementation; it had to be accompanied by extensive application of conference and short training course techniques. Difficulties in raising policy-level were apparent everywhere at the basic levels, and there were even instances at the provincial and municipal levels of failure to apprehend a change in the "centre of work". To cite a brief example, on February 26th 1950, the North China Bureau of the CCPCC issued a directive, demanding that the Pingyuan Provincial Party Committee and its fraction in provincial government readjust the "centre of work" to conform with the Party's emphasis on production. Senior provincial cadres had erroneously misplaced their "centre", focusing their energies on rural tax collection, agrarian reform, and Party rectification at the expense of the most important task, production.<sup>6</sup>

The preoccupation with production persisted into the second quarter of 1950 and carried great weight in national level deliberations over the shape of agrarian reform policy. The CCP

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5. See Thomas Bernstein, "Problems of Village Leadership After Land Reform", CQ, No.36, October-December 1968, pp.1-22, especially p.9.
  6. JMJP, March 15th 1950, p.1.

leadership drew a clear line, connecting the articulation of policy with a perception of military strategy. In his June 4th 1950, report Liu Shao-ch'i vehemently criticized deviations, which had resulted in an encroachment on middle peasants and the retarded development of commerce and industry in July 1946, to October 1947, but he stressed that prior to national liberation, the support of the poor peasants had been crucial to the survival of revolutionary forces. At a time when rich peasants tended to move with the landlords and the poor peasants alone had to bear the responsibility for supplying the revolutionary forces with grain and recruits, it had been politically and militarily necessary to requisition the surplus land of the rich peasants. In his report, Liu emphasized that in a time of peace the Party's priorities could be adjusted. In his view, the basic task at that time was "economic construction on a nationwide scale", and he simply concluded: "Our present difficulties are mainly financial and economic difficulties arising in the course of the restoration, reform and development of the economy".<sup>7</sup>

Liu's perspective on the economy was reinforced by Mao's perception of the political situation. In a directive of March 12th, Mao argued for a closely focused attack on landlords and a go-easy approach on the rich peasant question. In the following statement, his concern to relate the Party's strategy to prevailing political circumstances is obvious:

"The reasoning behind such an approach [i.e. go-easy on the rich peasant] is : Firstly agrarian reform is on a scale greater than ever before and leftist deviations could easily arise, but if we only move against the landlords without touching the rich peasant, we would then be better able to isolate the landlords, protect the middle peasants and prevent indiscriminate beating and killing, otherwise this kind of thing would be difficult to stop. Secondly, the land reform which was carried out in the north in the past was carried out in a time of war. The climate of war affected that of agrarian reform, but now that there is basically no longer a war-time situation, agrarian reform takes on a strikingly different aspect. Agrarian reform

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7. Liu Shao-ch'i, "On Agrarian Reform", Collected Works of Liu Shao-ch'i 1945-1957 (URI), Vol.1, p.225.

will have a tremendously traumatic affect on society; the landlords will raise a great hue and cry. If we temporarily lay off the semi-feudal rich peasant, biding our time for a few years and then move on them, we will all the more have right on our side, that is to say we will all the more have the political initiative. Thirdly, we have a united front with the national bourgeoisie, which at present is manifest in political, economic and organizational terms. The question of agrarian reform is closely linked to that of the national bourgeoisie, and in order to stabilize the opinion of the national bourgeoisie it would be rather well-advised if we were to temporarily refrain from moving against the semi-feudal rich peasant."<sup>8</sup>

Mao repeated the same argument in a less crude and specific manner in his June 6th speech, "Fight for a Fundamental Turn for the Better in the Financial and Economic Situation in China". He then stated:

"The work of agrarian reform should be carried forward by stages in an orderly manner. Since the war has virtually ended on the mainland, the situation differs entirely from the 1946-48 period...."<sup>9</sup>

It is important to note that Mao, like everyone else at that point, stressed the carrying out of agrarian reform "stage by stage in an orderly manner". It is also important to note that in 1949 united front was not simply the "icing on the cake", but a very serious point of strategy in the minds of China's new leaders.

One cannot take the strategic emphasis, explicit in the June 1950 Agrarian Reform Law, as a repudiation of the exercise of the mass line in struggle. The war was at an end; there was an economic and fiscal crisis of alarming magnitude, and preparations had to be thorough before the Party could move from a stage of setting up models of agrarian reform to a stage of full province-wide development of agrarian reform. However, by the autumn 1950,

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8. Mao Tse-tung, "Cheng-hsün tui tai fu-nung ts'e lueh wen-t'i ti i-chien", (Seeking advice on the question of the strategy of handling the rich peasant), Mao Tse-tung hsüan-chi, Vol.V, Peking, 1977, p.13.
  9. See translation of Mao's speech in New China's Economic Achievements, p.6.

considerable headway had been made in balancing the budget, in the unification of economic and financial work and in the reduction of inflation, and once again policy deliberations were fundamentally affected by a military factor, as China became irretrievably involved in the Korean War.<sup>10</sup> The CCP leadership viewed American intervention north of the 38th parallel with the greatest anxiety. The possibility of an invasion from the north-east or a counter-attack from Taiwan were seriously considered. Basic-level Party organization had yet to be consolidated in the "newly liberated" countryside. Party rectification had exposed the perpetuation of KMT practices and habits within the newly-created Party and state structures. China at war meant a heavier emphasis on the threat of counter-revolution. Initial investigations of agrarian reform brought out into the open the question of "peaceful land reform". The previous emphasis in the Peiping and Suiyuan Patterns, which underlined the generous co-optation of enemy KMT forces gave way as the Party criticized "boundless magnanimity" and emphasized instead "suppression with leniency". Agrarian reform and the movement to suppress counter-revolutionaries were progressively entwined. The first stage of agrarian reform involved the establishment of social order in the countryside, and

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10. Both Ezra Vogel and John Wong in their discussion of land reform point to the Korean War as the most decisive factor in determining the new emphasis on radical implementation of agrarian reform in November 1950. Jeff Shillinglaw suggests that in fact, it was not so much the Korean War, but the initial results of agrarian reform which prompted the shift in emphasis. Undoubtedly a number of factors converged to determine this new emphasis, but it would seem that the Korean War was primary. At least the Korean factor is explicitly stated to be the reason by the Chinese leadership, while one can only infer other reasons. Failures in the first stage of agrarian reform in the "newly liberated areas" could possibly have reinforced the original strategic emphasis, explicit in the Agrarian Reform Law, had it not been for the war. Ezra Vogel, Canton Under Communism, p.98. John Wong, Land Reform in the People's Republic of China, pp.138-139. Jeff Shillinglaw, "Land Reform and Peasant Mobilization in Southern China, 1947-50", Agrarian Reform and Agrarian Reformism, David Lehmann, ed., p.132.

hence the elimination of despots, special agents of the KMT and bandits, all of whom according to the CCP collaborated in counter-revolution. The five categories of counter-revolutionaries, thus, included bandits, despots, special agents and the leading members of "reactionary" parties and secret societies.

In agrarian reform, the CCP stressed "taking a free hand to mobilize the masses". Class struggle and mass mobilization were emphasized in the winter of 1950-51, but even under the new emphasis on the radical implementation of agrarian reform, mass action was nonetheless to be controlled. This perspective is particularly well brought out by a comment on "taking a free hand" (fang-shou), which appeared in the Nan-fang jih-pao on July 6th, 1951:

"The policy of taking a free hand is itself a question of leadership. In taking a free hand in the mobilization of the masses, we mean that a free hand is being taken under a proper leadership, in accordance with established policy, and with a definite objective."<sup>11</sup>

Hence "taking a free hand" was not interpreted to mean indiscriminate struggle. Agrarian reform documents universally condemned "indiscriminate beating and killing" and constantly refer to "legal struggle" (yung ho-fa tou-cheng). Excesses did occur, and when they did the CCP had to delicately balance competing emphases. Cadres were urged to persuade the masses that excesses were wrong, and cadres were warned not to destroy the momentum of the mass line and thus throw cold water on the masses. But cadres were also instructed to firmly restore order.

Trials in general were carefully controlled. Heavy sentences and executions had to be approved by higher authorities at special district, provincial and sometimes GAR levels. As always both "usurpism" and "tailism" were criticized. Too much leadership was bad as it led to perfunctory stage-managing, but too much "free hand"

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11. In CB, No.128, October 15th 1951, from NFJP, July 6th 1951.

or spontaneity was offensive to the principles of democratic centralism and unified Party leadership.

In theory, the Party could not accept a quick land reform. As the following comment by Li Chien-chen, Vice-Chairman of the Kwangtung Agrarian Reform Committee illustrates, quick land reform was viewed as antithetical to "political integration":

"We could say the masses have already risen. But have they in reality? I don't think we had better use 'in reality'. As for this so-called 'reality', it is determined on the basis of whether or not the masses have self-consciously become involved of their own accord. Investigations of local conditions reveal that many of the masses feel that agrarian is something the work corps do for them, that it is for the work corps to call them to convene meetings and as a result work corps substitute for the masses, and confiscation is brought about by the work corps. This is why we dare not use the words 'in reality'".<sup>12</sup>

The Party could not, therefore, in theory bring about agrarian reform for the masses, nor could the Party accept a situation whereby a minority of activists went through the motions of a campaign on behalf of the masses.

But what was the relation between theory and practice? In other words, did the Party have to accept in practice what it would not countenance in theory? There will be opportunity to develop this point in subsequent discussion of the specific details of specific campaigns, but here we might discuss in general the problems of administrative distance.

One might profitably turn to discuss in general terms (a) whether the ideological commitment to "political integration" from within and to localization was successfully applied against administrative distance, and (b) the necessity of devolution of administrative responsibility and of "dual" leadership structure in the exercise of the mass-line.

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12. Li Chien-chen, "Kuan-yü fa-tung chün-chung ti chi-ko wen-t'i", (Several problems relating to mobilizing the masses), November 29th 1950, KPHHTL, No.26, February 1951, pp.80-81.

In his speech of February 1st 1942, Mao had set out a definite position in relation to the question of outside and local cadres. In one of his moments of qualified self-criticism, he admitted that he had been in northern Shensi for five or six years, but that his knowledge of local conditions was still not up to that of the local comrades. Mao then noted that conditions in the anti-Japanese base areas started to develop only after the arrival of outside cadres. Mao clarified his point as follows:

"Our comrades must understand that in these conditions it is possible for our base areas to be consolidated and for our Party to take root there only when the two kinds of cadres unite as one and when a large number of local cadres develop and are promoted; otherwise it is impossible."<sup>13</sup>

Long-term political integration required the development and cultivation of local cadres, but of course outside cadres were necessary to the educating and training of local cadres in the policies and techniques of the Party.

"Outsiders" were particularly necessary to the conducting of agrarian reform in the "newly liberated areas" in 1950-51. Indeed the exportation of experience is explicit in the CCP's strategy of using "advanced elements" to lead "backward elements". In the conducting of agrarian reform in the "newly liberated areas", the Party did not have the advantage of consolidated Party branches capable of independent management. Only in 1952-53 did the CCP focus on the reorganization and consolidation of hsiang-level organization, separating the chaff from the wheat and expelling opportunists and bad class elements. In 1954, in the context of the campaign for mutual aid, hsien and ch'u, Party committees took a more active interest in cultivating basic-level Party branches, treating it as the "centre of work".<sup>14</sup>

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13. Mao Tse-tung, "Rectify the Party's Style of Work", SW, Vol.III, p.45.

14. For comment on this reorganization refer to Thomas Bernstein, *op.cit.*, p.6. Apparently one of the reasons for the failure of the programme for the planned purchase and supply of surplus grain in 1953 was the failure to organize properly the basic-level Party branches. See report on the CCP's First All-China Conference on the Work of Basic-level Village Organization in JMJP, March 11th 1955, in HHYP, No.4, 1955, p.30.



During agrarian reform, activists gained experience on work teams, but the recruitment of new Party members was postponed for tactical reasons, which Mao alluded to in his remarks at the third plenary session of the CCPCC on June 6th 1950. Mao had then warned that if the Party's doors were opened wide, the inevitable result would be serious ideological contamination, as large numbers of opportunists would take advantage of easy entry. A moratorium was placed on recruitment in the villages of the "old liberated areas" to allow them time for consolidation and remoulding, and recruitment in the "newly liberated areas" was postponed, pending the completion of agrarian reform.

As of July 1950, the CCP had over five million members. Aside from 1.2 million in the PLA, there were geographical concentrations in terms of the disposition of members; 3.4 million were located in North China, East China and the Northeast.<sup>15</sup> There were relatively high concentrations in the "old liberated areas", but even there many of the cadres were new. The problem was most serious in the Central-South with its high population of over 136 million. East China had a similarly high population, but there were greater expanses of "old" and "semi-old" areas in East China, and Jao Shu-shih in a speech of August 590, noted that there were 1,630,000 members of the CCP in East China.<sup>16</sup>

The seriousness of the personnel problem was particularly well brought out by Peng Teh-huai, who in his December 3rd 1950, speech to the NWMAC, noted that not even 5 per cent of 12,764 cadres, thus far involved in Northwest agrarian reform, had any past

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15. "Cheng-tun tang ti kung-tso tso-feng, kai-shan tang ti tsu-chih chuang-k'uang", (Conditions to rectify Party work styles and improve Party organization), JMJP, July 1950, KPHHTL, No.12, 1950, p.80.
  16. Jao Shu-shih, "Chan-k'ai cheng-feng yün-tung, cheng-tun kan-pu tso-feng", (Develop the rectification, movement, correct cadre work style), CFJP, August 22nd 1950, in HHYP, Vol.2, No.5, September 1950, p.984.

experience. Peng remarked that many cadres exported to localities in the Northwest felt estranged, and it was commonly said "going to the villages is like going to a foreign country". Peng reported that there had been considerable disorder and confusion at lower administrative levels, and he was concerned that already over-worked senior cadres were required to go down to supervise work.<sup>17</sup>

The situation was just as chronic in the Southwest. As late as October 23rd 1952, the Hsin-hua jih-pao reported that 93 per cent of Northwest hsiang were still without basic-level Party organization.

In May 1952, the CCPCC called for Party recruitment, and shortly thereafter the personnel directors of the CCPCC regional bureaux met to work out a strategy for the recruitment campaign, which lasted into the summer of 1953. In the course of the mass campaigns of the early 1950's activists were recruited locally, but they were not inducted into the Party until these campaigns had run their course.

We have already considered the question as to whether or not the importation of "outsiders" into "newly liberated areas" should be taken as demonstrative of a Communist law of avoidance. Firstly, under the principle of democratic centralism, it is axiomatic that higher levels provide leadership and act to insure an understanding of and the correct implementation of the centre's policies. Secondly, the process of cadre education depended on the inter-reaction of old and new cadres. One cannot, therefore, generally assume that the presence of a large number of "northerners" in the "newly liberated areas" is evidence of a "regional" resistance to the centre. Indeed, the CCP was aware of the dangers of localism and parochial loyalties such as the "five sames", but this awareness must be seen in the context of an ideological commitment to the building of truly local bases of popular support.<sup>18</sup>

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17. Peng Teh-huai, "Hsi-pei chün-cheng wei-yüan hui wu-ko yüeh-lai kung-tso pao-kao" (Report on the work of the NWMAC over the last five months), CFKTK, 1950, pp.416-17.

18. See Ezra Vogel, "From Revolutionary to Semi-Bureaucrat: The 'Regularization' of Cadres", CQ, No.29, January-March 1967, p.40.

Obviously, the possibilities of local cadres relating to the old social structure were considerably greater, but one cannot assume that "outsiders" would always push harder for the more radical implementation of policy;<sup>19</sup> for example, during agrarian reform old cadres were criticized for inhibiting "taking a free hand to mobilize the masses". These cadres still had vivid memories of the rectification which had followed the excesses of 1946-47 in North China; they had in fact aired such views as "If you want to prevent deviations then only you can do it [i.e. for the masses]" and "Deviations necessarily follow 'taking a free hand', rectification necessarily follows deviations, if we don't 'take a free hand' there will be no deviations to rectify".<sup>20</sup> The role of the masses was thus usurped by old cadres.

The relation between the Party's long-term commitment to localization and the structuring of the mass campaigns of the early 1950's is particularly complex. Due to the weakness of Party organization, there was a tendency to exploit united front organization more fully in the "newly liberated areas"; for example, as of January 1951, the greater part of the propaganda workers in the Central-South belonged to non-Party propaganda organization.<sup>21</sup> The absence of firm local Party structure undoubtedly had its implications in terms of the strategy for personnel circulation; for example, over the course of moving "from points to surface" in agrarian reform, personnel were often concentrated at one key-point only "to leap" to another once the process of agrarian reform was underway at the initial point. At times higher levels would concentrate the greater proportion of cadres serving in provincial departments, to key areas, where a mass campaign had bogged down.

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19. See comments by John Wong and Thomas Bernstein on local cadre collusion with landlords. John Wong, Land Reform in the People's Republic of China, pp.148-149. Thomas Bernstein, op.cit., p.7.

20. "Ching-ch'u wu-chieh, cheng-chüeh chih-hsing fang-shou fa-tung chün-chung fang-chen", (Eliminate misunderstandings, correctly implement the strategy of taking a free hand to mobilize the masses), CCJP, December 26th 1950, in KPHHTL, No.26, February 1951, p.40.

21. SCMP, No.54, January 23rd 1951, pp.10-11, from CCJP, January 16th 1954.

One of the more interesting instances of strategic personnel circulation occurred under the supervision of the South China Sub-Bureau of the CCPCC. Main-line forces of the PLA were deployed in agrarian reform in the troubled province of Kwantung. In terms of the PLA's subsidiary role as a "work force" this deployment might not seem so extraordinary, but how was the PLA's involvement to be treated in terms of developing the mass line from within a local base? The South China Sub-Bureau rationalized the "reliance on the PLA" precisely in terms of the cultivation of a local base, hence the following statement:

"During the past two or three months, several thousand members of the People's Liberation Army participated in the local peasants' movement in the rural areas. They possessed the fullest confidence in their work, penetrated deep into the masses, overcame difficulties of language, living conditions and ignorance of local conditions, and with their spirit of perseverance and serious devotion to duty as well as their attitude of democracy and co-operation with the masses, and loyalty to their class stand, had seriously affected the local cadres and educated them. The reliance on the PLA, therefore, is not merely needed for the fulfilment of the mission, but also for the fostering of local cadres."<sup>22</sup>

Another dimension of the problem of localization had to do with the Party's attitude towards cadres who had served in old revolutionary bases in the Central-South, which had been over-run by various KMT offensives in the Sino-Japanese and Civil Wars. In November 1951, Teng Tzu-hui outlined a position on this problem, declaring that in order to cement ties between the new people's government and the people in the old revolutionary bases, the Party would actively admit old cadres into the service of the people's governments. Teng brushed aside criticism as to their lack of effort

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22. See Chou Tzu-yang, "Preliminary Summary Report on the Movement for the Reduction of Rent, Return of Deposit...", CB, October 15th 1951, p.20, from NFJP, September 5th 1951. Ezra Vogel notes that 10,000 out of a total agrarian reform work force in Kwangtung of 123,000 were from the PLA. Ezra Vogel, Canton under Communism, p.94.

after the withdrawal of the main army, and he instructed on the following principle:

"Even if these old cadres manifested a passive attitude or committed some rather unsatisfactory acts after the withdrawal of the Red Army, as long as they are not guilty of gross misdeeds and still enjoy the confidence of the masses today, they will be unhesitatingly be given posts if the masses elect them to such posts."<sup>23</sup>

Problems of administrative distance such as the weakness of basic-level Party organization, universally low policy-levels, the acute shortage of cadres with experience of the mass line, imposed certain limits on the structuring of the mass line. In effect, one could argue that the CCP in the early 1950's worked with the same set of strategic and structural emphases which were broadly operative in the 1940's. "Dual leadership" and inter-system co-ordination were emphasized, as the running of the mass campaigns had to be effectively decentralized. Regional variations in the rate and quality of political integration were too great to be handled centrally. "Political integration" in the CCP's terms was not something which could be institutionally imposed on localities from the outside, hence the mass campaign, tightly controlled within a vertical structure, was not only physically impossible, but ideologically suspect in relation to the mass line. One might also suggest that the development of united front organization reinforced the horizontal features of government structure such as "dual" leadership and the emphasis on committees and conferences, co-ordinating different levels and systems of administration.

In the course of the Campaign for the Suppression of Counter-Revolutionaries, for example, a tendency to sponsor a vertical structure was criticized. On September 5th 1951, the Jen-min jih-pao noted that the reinforcement of legal structure was not to

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23. Teng Tzu-hui, November 21st 1951, CB, No160, February 20th 1952, p.52.

be undertaken at the expense of the people's governments, and cadres, who had cultivated the erroneous viewpoint, emphasizing the independence of the judicial system from interference by local government, were admonished and instructed on the following point:

"...the Chinese revolution has only just won basic victory, and the political and economic unevenness brought about by the long rule of imperialism and feudalism as well as the unevenness in our present work can hardly be overcome completely within a short time. For this reason under the present situation and the difficult conditions of shortages of cadres, if the various grades of work organs only emphasize the perpendicular centralized leadership of the Central Government and deny unified leadership according to local expediency (that is, dual leadership over concrete work), then in practice it will be impossible to speedily establish and perfect the organs and make a good job of work and it will be impossible to realize the correct leadership over the national judicial work."<sup>24</sup>

Hence emphases on a vertical chain of command and too close a division of labour between departments were eschewed. Such structural notions were viewed as inimical to the development of the mass line. And of course these notions were consistent with the rationale, which underlined the GAC decisions of March and May 1951, which had called for a greater devolution of administrative authority and the maximization of "local expediency".

In his May 11th 1951, report on political and economic work to the GAC, Peng Chen had basically drawn out the same perspective; he emphasized the political conditions necessitated, "...the strengthening of unified leadership in the localities, meaning 'dual leadership' for facilitating all work".<sup>25</sup> Peng said then that cadres, who were excessively concerned with the minute division

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24. "Strengthen and Consolidate the People's Revolutionary Legal System", JMJP, September 5th 1951, in SCMP No.168, September 6th 1951, pp.7-9.  
 25. Peng Chen, "Report on Political and Legal Work", in CB, No.91, July 10th 1950, p.7.

of labour between government departments, were "shackling the masses while pleasing themselves in private".

Mass politicization had to be dealt with on the basis of decentralized operations. Different areas had different concentrations of personnel. Some areas had had past experience of the CCP's policies and mass-line techniques, while others had practically none. Policy-levels even at higher levels were appalling at times. For example, Tu Jen-sheng in his September 18th 1950, report on agrarian reform in Central-South China made the following self-criticism:

"Agrarian reform committees of provincial grade have been formed one after another and operations have begun. But as to how to expand its own operations and activities, how to collect work experience and correct opinions from all sides to direct work, even the Central-South Land Reform Committee itself lacks systematic experience."<sup>26</sup>

Tu's misgivings, notwithstanding, the GAR level proved to be particularly effective in directing mass line operations. Indeed, the June 19th 1954, GAC directive, relating to the abolition of the GAR level, particularly emphasized the point that this level had made an important contribution in terms of the development of the mass campaigns in 1951-52. The double personality of the GAR level, which at once acted as a united front apparatus, representing local state power and as a centralizing agency of the GAC, was consistent with the overall thrust towards "dual" organization in the leadership of the mass campaign.

In terms of agrarian reform, for example, there was no single operational command in Peking. The agrarian reform committees of the four MACs in the GARs acted as several regional operational headquarters. The general principles of agrarian reform were set forth at the centre, but detailed regulations such as those relating to

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26. Tu Jen-sheng, "Report on Agrarian Reform in the Central-South Region During the Past Half Year", September 19th 1950, in CB, No.39, December 9th 1950, p.27.

different types of land, complications of ownership, control of "law-breaking landlords", measures for the enforcement of agrarian reform regulations, etc., and the plan or strategy of implementation were worked out first at the GAR, and subsequently at the provincial level. There will be further opportunity below to discuss the strategy of implementation, particularly as it was defined by Central-South and East China leaders, such as Jao Shu-shih and Teng Tzu-hui. Their strategy of "from points to surface" was seen as the solution to administrative distance. The following comment by Chao Tzu-yang underlines the fact that this strategy was rationalized in terms of the tremendous unevenness of the pattern of political integration from hsien to hsien and village to village across the length and breadth of "newly liberated" China:

"The degree of political awakening and organization among the masses in different areas are not balanced, the comparative strengths of different classes in different areas are not balanced. The leadership lacks full experience, while cadres, especially backbone cadres, are insufficient in force. For these various reasons, it is necessary to acquire experience at selected points, to foster cadres, and to set up examples. Thus the movement must be developed from points to surface areas."<sup>27</sup>

In the following discussion, we can pursue our inquiries as to whether in fact this strategy was effectively applied throughout the "newly liberated areas".

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27. Chou Tzu-yang, op.cit., p.19.



## V

ii) "Leaping from Points to Surface in the Newly Liberated Areas"

The CCP viewed agrarian reform as a test greater than that of war; it was in all probability the single most important act in the drama of political integration. The following discussion broadly relates to the implementation of the June 1950, Agrarian Reform Law in the "newly liberated areas". Within this general frame of reference, our view-finder is adjusted to a specific temporal and spatial setting.

Much of the following discussion in this section relates particularly to the Central-South and East China GARs. There is already a solid basis upon which to work in terms of the availability of material and research which has already been carried out. In particular, the problem of "localism" in the Central-South has been researched in terms of the relations between the GAR authorities in Wuhan and the authorities in the South China Sub-Bureau of the CCPCC and the provincial government Kwangtung in Canton.<sup>1</sup> Indeed Ezra Vogel in his study, Canton Under Communism, has argued that the CSMAC acted strenuously as an extension of the centre in insuring a centralized uniformity in the implementation of agrarian reform policy.<sup>2</sup>

The available material on the Central-South region is particularly good, and one might single out for attention the availability of Kan-pu hsüeh-hsi tzu-liao (Cadres study materials). These volumes were published with the express purpose of educating the cadres, and one can gain some insight as to what the agrarian reform authorities considered to be the main problems as well as what they regarded as essential for cadre reading.

Together the two regions of Central-South and East China accounted for approximate 56.3 per cent of the total rural population

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1. See John Wong, Land Reform in the People's Republic of China, pp.139-154, and Ezra Vogel, Canton Under Communism, pp.91-124.
  2. Ezra Vogel, ibid., p.93.

of 29 million was less than that of Shantung in East China. The Southwest rural population, the last population to experience agrarian reform, was approximately 90 million.<sup>3</sup>

The Central-South region is of particular interest, as it seemed to be a problem area, not only in terms of "localism", but also in the larger terms of administrative distance. The problem of implementing a strategy of "from points to surface" was greater there than in East China. Prior to June 1950, agrarian reform had affected only 12 per cent of the Central-South rural population. East China, therefore, had the advantage in terms of the extent of area, exposed to agrarian reform, and a higher concentration of Party members. There was a greater "leading factor", or more reference points to facilitate the strategic development of agrarian reform in East China. Indeed, the progress of agrarian reform in East China as compared with Central-South was smoother, and one might note that there seems to be in the East China documentation a greater emphasis on the inter-relation of proper leadership with "taking a free hand to mobilize" the masses. East China was an area comparatively well developed in terms of urbanization, trade and light industry, and from this perspective one can argue that agrarian reform in East China was, therefore, technically more complicated. Deviations such as "peaceful land reform" also occurred in East China, but the frequency and extent of deviation seems to be less than in the case of the Central-South.

In terms of the development of agrarian reform in the Northwest, there was some "old liberated area", which could be exploited in the transposition of experience from "old" to "newly liberated

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3. See John Wong, *op.cit.*, Table 5.1, p.129. The above percentages are also taken from this table.

areas". The old Shen-Kan-Ning Border Region acted as a "leading factor" in the Northwest, but in the Southwest, there was no "leading factor" to speak of. The SWGAR was the last region to be consolidated, and it is not surprising that agrarian reform came later than in any of the other three GARs affected by the June, 1950, law.

In the Northwest, Southwest and to a certain extent the Central-South, agrarian reform was more complex due to the concentrations of national minority populations. One might speculate that the degree of control or leadership as opposed to the freer exercise of the mass-line, explicit in the slogan, "taking a free hand", related closely to complications such as population mix and production.

In city suburbs, for example, the balance between formal administrative structure and popular organization of social forces was tipped in favour of the former in order to shield commerce and industry from the political disruptions consequent upon the exercise of the mass-line. The state machinery acted to insulate the cities from the influence of village struggle. Peasant representatives, who came to the cities seeking landlords, had to have letters of introduction from government agencies; Peasant Association credentials were not sufficient. Upon their arrival, peasant representatives were forwarded by the appropriate provincial, special district of hsien authority to the City-Country Liaison Committee (ch'eng-hsiang lien-ho wei-yüan hui), which acted as an institutional buffer against the penetration of rural social forces into the cities.<sup>4</sup> Similarly, the process and timing of agrarian reform was more discrete and the leadership factor greater in areas with large national minority concentrations.

The following discussion relates particularly, but not exclusively, to East China and Central-South China in the crucial

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4. For example, see "Chung-nan chün-cheng wei-yüan hui fa-shih t'u-ti kai-ko ch'i-chien ch'u-li ch'eng-hsiang kuan-hsi ti chüeh-ting", (CSMAC directive relating to the handling of the city-country relationship during the period of agrarian reform), in KPHHTL, No.23, December 1950, p.94.

period, winter, 1950, to spring 1951. This particular time setting is inclusive of the dramatic shift in emphasis towards a radical implementation of agrarian reform in November 1950. In late autumn of that year the centre ordered an immediate readjustment of focus, and the regional agrarian reform committees had thereupon to redraft the operational plans for the extension of the movement to many more hsien in the slack season of 1950-51. At that time the CCP, throughout the "newly liberated areas", attacked the "pure production viewpoint" (chien-tan ti sheng-chan kuan-tien), raising the slogan "taking a free hand to mobilize the masses", (fang-shou fa-tung ch'un-chung).

This particular temporal setting is of special interest to our study of administrative distance, for it was in the slack season of 1950-51 that the development of agrarian reform came to a head, as the work teams moved from the stage of model-building and experiment to a stage of full province-wide development. In this period, a rural population of approximately 60 million in East China and 50 million in Central-South China experienced agrarian reform. According to Chou En-lai, work corps, totalling over 360,000 cadres, had been trained in areas of 150 million population in the "newly liberated areas", where agrarian reform had been developed.

Later CCP investigation, relating to agrarian reform carried out in this period, strongly suggests that the movement as an instance of political integration was less than successful. When, in the crucial period, cadres moved "from points to surface, linking up the points with surface" (yü-tien tao-mien, tien-mien chieh-ho), they worked under tremendous pressure from higher levels to get on

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5. Chou En-lai, "Political Report to the Third Session of the National Committee of the People's Political Consultative Conference", in CB, No.134, November 5th 1951, p.9, from NCNA, November 2nd 1951. In a report on East China agrarian reform, the Vice-Chairman of the ECMAC Agrarian Reform Committee, Liu Jui-lung noted that 170,000 activists had been trained in East China work corps. The figures suggest that East China was better able than other regions to meet the Party's objective of training one activist per every thousand of population. See Liu Jui-lung, "Report on Agrarian Reform in East China", in CB, No.92, July 10th 1951, from Shanghai, Hsin-wen jih-pao, March 19th 1951.

as quickly as possible, and this pressure proved to be counter-productive in relation to "political integration". Local-level disorientation, which resulted from inadequate preparations, short training time, too much "leaping" "from points to surface", low policy levels, etc., produced in the CCP's own parlance a bowl of "half-cooked rice" (chia-shen fan).

The problems of policy implementation, discussed below, relate not simply to "localism", but to the much greater issue of administrative distance and government communication. Administrative distance was a concrete, physical problem in terms of the numbers of trained, policy-conscious personnel available in a particular area, but it was also a problem of policy articulation, and we might summarize what has already been said on this point, as the clarity of policy emphases would seem to have some considerable bearing on the relation of practice to theory in the implementation of policy. CCP leaders wanted genuine struggle and the elimination of the "feudal" social order, but they also wanted the restoration and development of production. There had to be mass internalization of ideology through struggle, but class conflict had to be carefully controlled and the targets delimited to 5 per cent of the population. Ideological conviction was forged on the anvil of class struggle, but class struggle was developed in the context of united front strategy and organization.

In terms of agrarian reform the tactic was always "bring together the majority and isolate the minority" (t'uan-chieh to-shu, ku-li hsiao-chu),<sup>6</sup> which was explicitly rendered in the Party's line, "depend on the poor peasants and hired labourers, ally with the middle peasants, counter-balance the rich peasants and eliminate the landlords" (i-k'ao ku-p'in, t'uan-chien chung-nung, chung-li fu-nung, hsiao-mien ti-chu). In the context of the armed struggle of the 1930's, Mao had consistently put forward the tactic of

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6. For a statement of this strategy see "Shen-ju k'ai-chan Chung-nan ch'uan-tang ti cheng-feng yün-tung", (Penetratingly develop the all-Party rectification movement in Central-South), in KPHHTL, No.16, September 1950, p.91.

concentrating forces at a weak point in the enemy's line, and often opposed over-extension and attacking in more than one direction. In other words, there was always to be a main line of attack. The tactic was applied politically in relation to the development of united front. Mao repeated this tactical emphasis at the third session of the seventh CCPCC in June 6th 1950:

"To sum up, we mustn't hit out in all directions. To hit out in all four directions and cause nationwide tension would not be very good. We certainly cannot afford to create too many enemies. While on one front we must yield ground and ease tensions, we will concentrate our forces to attack on another front. We will certainly want to do our work well so that the workers, peasants and handicraftsmen will all support us while the great majority of national bourgeoisie will not oppose us."<sup>7</sup>

The subtleties of the relation between class struggle and united front strategy rendered the implementation of agrarian reform policy more problematic at the basic levels. Too much emphasis on united front led to impurity of peasant association membership, as landlords and rich peasants were able to infiltrate these organizations. Similarly, with the November 1950, radicalization of agrarian reform and the sterner emphasis on suppression of counter-revolutionaries, the CCP leadership attacked the deviation of "suppression with magnanimity" — a deviation, which one might argue, originally derived from the generous co-optation plan, explicit in Mao's Peiping and Suiyuan patterns. A Jen-min jih-pao article specifically berated cadres for confusing the policy of suppression with the policy for consolidation of united front.<sup>8</sup>

On the other hand, too little emphasis on united front led to leftist deviations, which took the form of attacks on the middle peasant. Cadres were instructed to heed the wisdom of the slogan

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7. Mao Tse-tung, "Pu-yao szu-mien ch'u chi", (Do not hit out in all directions), Mao Tse-tung hsuan-chi, Vol.5, Peking 1977, p.24.
  8. Translated in CB, No.101, July 24th 1951.

"under heaven all peasants are of the same family" (t'ien-hsia nung-min shih i-chia).<sup>9</sup> Cadres were urged to organize a broad united front against feudalism, but they were also urged to protect the purity of the peasant associations, the composition of which was ideally two-thirds poor peasants and hired labourers and one-third middle peasants.

To gain an accurate impression of the problems faced by the cadres in agrarian reform work teams, when the centre moved against "peaceful land reform" and raised "taking a free hand to mobilize the masses", one must review the situation of the spring and summer of 1950. Reports on agrarian reform and documents relating to the three seasons rectification of 1950, revealed that serious problems had emerged in the course of the first stage of agrarian reform in the "newly liberated areas", in terms of both the level of mass mobilization and the extent of deviations committed by basic-level cadres. Rent reduction, deposit refund and the elimination of despots were not particularly successful, and from the CCP's vantage point the spectre of counter-revolution hung low over the countryside. The observations of agrarian reform leaders all pointed in one direction — the landlords' social prestige had survived the first stage of agrarian reform.

On September 17th 1950, Teng Tzu-hui, Acting Chairman of the CSMAC, reported on the work of the CSMAC over the previous six months. He spoke of riots in Hunan, Hupen and Kiangsi, and the fact that several scores of millions of catties of grain had been robbed or burned.<sup>10</sup> He regretted that landlords, rich peasants and some middle peasants had failed to understand government policy. The fear of confiscation of what had been sowed, the fear of cancellation of debts and that the hiring of farm labourers would be illegal and the fear

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9. For an example of this emphasis, refer to Tu Jen-sheng, "Tang-ch'ien t'u ti kai-ko chih-tao chung ti chi-ko wen-t'i" (Several problems in present leadership of agrarian reform", November 18th 1950, KPHHTL, No.25, January 1951, p.26.
  10. Teng Tzu-hui, "Report on the Work of the CSMAC during the Past Half Year", in CB, NO.39, December 9th 1950, p.3, from CCJP, September 1950.

that bumper crops would invite heavy taxation -- all these fears inhibited planting and resulted in poor harvests and had led to a disturbing situation, in which poor peasants, hired labourers and handicraftsmen lacked food and seeds, had no access to loans and suffered unemployment. The Vice-Director of the Central-South Agrarian Reform Committee, Tu Jen-sheng, made similar points in his September 18th report to the effect that rich peasants stood in ignorance of government policy, had not developed production and refused to make loans or hire labour.<sup>11</sup>

Tu also claimed that bandits and agents had aggravated the situation by spreading rumours, inciting revolts, stealing public grain, murdering cadres, burning granaries, etc. He admitted that in the course of the attempt to extend the rent reduction and deposit refund campaign, which in part was designed to serve the purposes of social welfare relief from natural disaster, part of the Central-South Region had launched an unguided grain-loan movement, which encroached on the interests of the middle peasants.<sup>12</sup> Tu concluded that the experience gained during the campaign dramatically demonstrated the importance of preparatory work.

The March 1st 1950, directive of the Central-South Bureau, relating to the rent reduction campaign, touched on many problems.<sup>13</sup> It appears that cadres had relied excessively on peasant conference representatives and neglected the organization of the masses into peasant associations. Landlord resistance had resulted in a volatile situation, in which resistance was greeted with increasingly extreme methods on the part of cadres. The poor peasants, whose demands remained unsatisfied, reportedly refused to honour their debts and encroached on the interests of the middle peasants.<sup>14</sup> Cadres were admonished for neglecting the demands of the masses and failing to

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11. Tu Jen-sheng, CB, No.39, p.22, from CCJP, September 1950.

12. Ibid., p.35.

13. "Chung-kung chung-yang chung-nan chü fa-shih kuan-yü chien-tsu yün-tung ti erh tz'u chih-piao", (Second directive of the CCPCC CSB relating to the rent reduction campaign), in KPHHTL, April 1950, No.6, pp.86-89.

14. Ibid., p.86.



provide leadership in the rent reduction campaign. They were even criticized for having failed to distinguish land reform and rent reduction. The CSMAC directive stressed "legal struggle" and stipulated that a limit on the return of deposits must be observed once resisting landlords have been dealt with. The authorities were concerned that in some instances the insistence on one hundred per cent return of deposits, held by landlords with business interests, might adversely affect commerce and industry and contribute to an already bad unemployment situation.

Acute shortages of experienced cadres affected the Party's ability to implement the mass line at the village level, and serious problems emerged as the agrarian reform authorities attempted to coordinate formal Party and state structure with the action of social forces, organized into popular organization. An article, appearing in CCJP, commented on the progress of rent reduction in Honan, Hupen, Hunan and Kiangsi, and noted that the most serious problem was the failure to mobilize the masses. Cadres were warned against usurping the role of the masses. Furthermore, action by activists was not to be regarded as a substitute for mass participation. The CCJP commented:

"But we can see from the most recent reports that in many areas there are still a great many mistakes. Of these mistakes, the most serious is that our cadres do not conscientiously, painstakingly and penetratingly on the basis of thought and organization mobilize the masses in the struggle for rent reduction. On the contrary they simply dash about seeking form and numbers, and this is but to adopt a simple method of compulsion, which is substituted for mass struggle, or in other cases struggle is initiated by a minority of peasant representatives and activists, substituting for action by the broad masses."<sup>15</sup>

The same CCJP article, citing a report on Chung-yang hsien, Hupen, warned that without the genuine mobilization of the masses,

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15. "Chiu-cheng chien-tsu yün-tung chung ti hsing-shih chu-i", (Rectify formalism in the rent reduction campaign), in KPHHTL, No.9, May 1950, p.43.

there would be no triumph over the landlords. In this particular instance, the peasants were to have received 7,500 piculs in the course of the deposit refund campaign; however, the total regained only amounted to 3,700 piculs. In some areas of the hsien, there were no returns, while in others the landlords took back the refunds.<sup>16</sup>

According to one report, the problem of "peaceful land reform" was already evident in East China before the promulgation of the Agrarian Reform Law. Common sayings such as "There is no feudalism south of the Yangtze", "Landlords south of the Yangtze exploit slightly and are more civilized than those in the North" were popular, and landlord resistance during the setting up of models in the latter half of July took the form of selling and dispersing of property.<sup>17</sup> One particular Shantung landlord had committed the ultimate act of counter-revolution; he cut out and fried pastries in the shape of Mao. This arch-fiend allegedly said over his pastry: "This is to fry Chairman Mao. Agrarian reform originated with him".

At the second plenary session of the BCMAC in July 1950, it was decided to select two hsiang in every hsien for model agrarian reform. During the session Jao Shu-shih delivered a major address, the main points of which were in keeping with the line, set forth in Liu Shao-ch'i's report of June 1950. Jao emphasized the need for cautious preparations. He was sure that with the new circumstances of countryside liberation, land reform could be accomplished in a "peaceful fashion", despotic landlords be carefully distinguished from non-despotic landlords. Also according to Jao's reckoning, caution was particularly needed in the implementation of agrarian reform in areas close to Canton, Shanghai and Ningpo, which were characterized by high population density, food shortages and concentrations of self-employed workers and pedlars who owned land. Jao stressed "preserve the rich peasant economy" and it is obvious from the following statement that he was of the opinion that the problems of administrative distance necessitated a go-slow approach:

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16. Rectify formalism in the rent reduction campaign, op.cit., p.44.

17. Liu Jui-lung, "Report on Agrarian Reform in East China", CFJP, March 19th 1951, in CB, No.92, July 10th 1951, p.3. Chinese text in HHYP, Vol.3, No.6, April 1951, pp.1261-63.

"Our cadres in terms of numbers and quality are inadequate and weak. Relations between outside and local cadres do not go deep. Old cadres are deficient in their experience of new conditions but new cadres have yet to be steeled in class struggle. For these reasons over the course of our leadership of agrarian reform in the various areas of East China we must choose an administrative strategy of moving forward in a cautious step by step manner."<sup>18</sup>

The lack of experienced personnel in the "newly liberated areas" led to difficulties in applying the mass line and insuring the smooth co-ordination between formal structure and the popular organization of social forces. A Chang-chiang jih-pao editorial of August 16th 1950, pointed out that due to different local conditions, people's tribunals were functioning in some areas, and yet not functioning at all in other areas.<sup>19</sup> The editorial expressed great concern over the lack of organization and the incompetence, which characterized the functioning of the tribunals. Cadres had failed to appreciate that these tribunals were not "kill-people courts" (sha-jen t'ing) or "struggle meetings" (tou-cheng hui). It was admitted that some judges were only temporary and had little training. Attention was drawn to the regrettable lack of uniformity in the application of regulations, which, it was feared, would lead to anarchy. Furthermore, it was acknowledged that there had been a lack of co-ordination between related agencies and popular organization. Peasants' representative conferences had been substituted for people's tribunals, and tribunals were confused with struggle meetings. It was further stressed that, although the people's tribunals were not under the direct leadership (i.e., ling-tao) of the people's courts (jen-min fa-yuan), they, nonetheless, had to accept the courts' "leadership", (i.e. chih-tao) in relation to the specific interpretation of the laws.

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18. Jao Shu-shih, "Wei wan-ch'eng hua-tung t'u-ti kai-ko erh tou-cheng", (Struggle to complete East China land reform), in HHYP, Vol.2, No.4, August 1950, p.791, from CFJP, July 23rd 1950.
  19. "T'u-ti kai-ko chung ti jen-min fa-t'ing" (People's tribunals in the course of agrarian reform), in KPHHTL, No.15, September 1950, p.43.

Similarly, there had also been some confusion as to the relation between the tribunals and peasant associations and peasants' representative conferences.<sup>20</sup> It was emphasized that, although the tribunals received documentation, relating to accusations, from the peasant associations and representative conferences, these popular organizations were not to act as law enforcement agencies.

A Chang-chiang jih-pao editorial of August 19th, 1950, discussed at some length the necessity of adequate political preparation prior to the implementation of agrarian reform and underlined the point that agrarian reform in the Central-South must be more careful and systematic than in North China. Most significantly, the editorial directed readers' attention to the phenomenon of "half-cooked rice". The cadres had gone through the motions of agrarian reform without having actually mobilized the masses. The basic problem was seen as one of leadership. Cadres were unfamiliar with the true political condition of the masses, and during the anti-despot and rent reduction stage of agrarian reform, they had erroneously overestimated the enthusiasm of the masses with the result that work in only twenty per cent of villages could be classified as satisfactory.<sup>21</sup> Reports from outside Central-South emphasized the same point, namely that the basis of mass work and cadres' strength were unsatisfactory.<sup>22</sup>

During the months of October and November, however, East China, Central-South and Northwest summing-up conferences criticized "peaceful land distribution", and called for a more radical mobilization of the masses.<sup>23</sup> This deviation was a challenge in basic principle in so far as "political integration" was to be defined as the mass internalization of ideological "truth".

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- 20. "T'u-ti kai-ko chung-ti jen-min fa-t'ing", op.cit., p.47.
  - 21. "Chung-shih t'u-kai pei kung-tso, tso hao t'u-kai chi-peu kung-tso", (Emphasize preparation work for agrarian reform, do agrarian reform work well), CCJP, August 19th 1950, in KPHHTL, No.15, September 1950, p.35.
  - 22. For example see Hsi Chung-hsün, "Kuan-yü hsi-peu ch'ü t'u-ti kai-ko chi hua ti pao-kao", (Report on the plan for agrarian reform in the Northwest region), July 14th 1950, in HHYP, August 1950, Vol.2, No.4, pp.791-793.
  - 23. See Liao Lu-yen, "On year of the Agrarian Reform Movement", NCNA, Peking, July 2nd 1951, SCMP, No.132, July 11th 1951, p.9.

A December 5th directive of the East China Bureau noted the following point in relation to the new policy emphases in agrarian reform:

"American imperialism is now engaged in expanding wars of aggression. Counter-revolutionaries inside and outside the country are now stepping up their destructive activities. East China is on the front line of national defence. Imperialist and remnant KMT forces have not yet been adequately eliminated. Only if we speedily complete agrarian reform can we consolidate victories, already won, and only then will we be in a position to bring about a new situation. For these reasons we propose that an early completion of land reform is at present the most urgent task in East China."<sup>24</sup>

At this point in time, the fear of restoration, or counter-revolution and the possibility of an American invasion of China counted for more in determining the "centre of work" than the emphasis on production. Consistent with this new focus was the adoption of a harder strategy towards the treatment of counter-revolutionaries, as the CCP began to rethink the problems and dangers associated with its earlier policies of magnanimous co-optation. CCP leaders claimed that the Korean War had emboldened counter-revolutionaries and that landlord resistance to agrarian reform had dramatically intensified. The GAR agrarian reform authorities responded by drawing up regulations for the punishment of "law-breaking" landlords.<sup>25</sup>

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24. "Chung-kung chung-yang hua-tung chü kuan-yü t'i tsao wan-ch'eng t'u-ti kai-ko ti chih-shih", (CCPCC CSB directive in relation to the early completion of land reform in East China), December 5th 1950, HTCCCTC, Vol.2, p.1996.
25. See "Hua-tung ch'eng-shih pu-fa ti-chu tsan-hsing t'iao-lieh", (Provisional East China regulations for the punishment of law-breaking landlords), September 19th 1950, in HTCCCTC, Vol.2, pp.2001-2004. The Central-South regulations, promulgated on November 19th, almost repeated verbatim the same provisions. See "Chung-nan chün-cheng, wei-yüan hui kung-shih: Ch'eng-chih pu-fa ti-chu tsan-hsing t'iao-lieh", (Provisional regulations for the punishment of law-breaking landlords, promulgated by the CSMAC), in KPHHTL, No.23, December 1950, pp.65-68. These provisions established a sliding scale of culpability, the seriousness of the crime, relating to the degree of political content. The regulations anticipated landlord attempts to disperse their properties through the use of false names, mortgaging, gifts, etc. The regulations further anticipated landlord attempts to slaughter livestock and to damage or destroy buildings and tools before distribution.

The CCP leadership was not then prepared to accept "half-cooked rice"; however, while there was an often stated recognition of the need for solid preparation in terms of cadre training and mass organization, higher Party and state levels generated a pressure for the speedy conclusion of agrarian reform, which fell with some force on lower levels. Simply, the new tempo of agrarian reform stood in contradiction to the basic aim of agrarian reform, namely the development of political consciousness. Under the new timetable of agrarian reform, there was no time for really solid preparational work. This contradiction is explicit in December 1950, directive of the Kwangtung provincial people's government, in which it was noted that there was no time for an extended period of cadre training, and that it would be necessary to adopt the method, "the teacher taking along the disciple".<sup>26</sup> It might well be asked whether such a method is consistent with the mass line. The method was rationalized in terms of the importance to insure continuing momentum in class struggle, but is it consistent with a definition of political integration which is predicated on the importance of conscious ideological commitment?

The directive explicitly repudiated those who felt that time was too short to insure the full mobilization of the masses.<sup>27</sup> But the reports of spring and summer 1950, which we have already discussed, indicated a serious lack of leadership at the basic levels and stressed the supreme importance of preparation. And the extent of deviations such as "peaceful land distribution", as apprehended by the leaders of agrarian reform, indicated all the more that there was a serious lack of preparation. One is, therefore, left to speculate as to the degree to which a "preliminary understanding of policy" and a "firm stand", as outlined in this December 1950, directive, would substitute for adequate preparation. Here, we are dealing with a point which is nothing less than central to the totality of Chinese Communist organizational experience as it relates to how closely can theory and practice be united.

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26. Canton, NFJP, December 2nd 1950, in SCMP, No.31, December 15-16, 1950, p.31.

27. Ibid., p.32.

In terms of the history of CCP organization, circumstances had necessitated training on the job. As early as November 1928, Mao remarked on this problem in relation to the training of soldiers:

"Ordinarily a soldier needs six months' or a year's training before he can fight, but our soldiers, recruited only yesterday, have to fight today with practically no training. Poor in military technique, they fight on courage alone. As long period of rest and training are out of the question, the only thing to do is to try and avoid engagements if possible and thus gain time for training."<sup>28</sup>

However, in the post-1949 context and in the light of the June 1950, strategic emphasis on orderly stage by stage development of agrarian reform, presumably there should have been time for adequate preparation, and the question arises whether "a preliminary understanding of policy, of ways and means for adherence to the mass-line and of principles for the differentiation of class status" was adequate to the task at hand.

The CCP, in its attempt to come to grips with the basic dilemma of administrative distance, employed the law of "from points to surface, linking points and surface" (yii-tien tao mien, tien-mien chieh-ho). For an authoritative explanation of this "law" we can refer to the speeches of two GAR agrarian reform leaders, Jao Shu-shih and Teng-Tzu-hui.<sup>29</sup>

The CCP leadership was confident that this strategy would help to prevent the dispersion of leadership and the dispersion of organizational resources during the course of class differentiation and land distribution. However, one might choose to implicit of Jao's combination of the three methods of "leading" (tai), "pushing" (t'ui) and leaping (t'iao), the contradiction between tempo and genuine mobilization. Momentum and speed were seen as to have a positive quality in that such emphases would help to demoralize the landlords, destroying their social prestige

28. Mao Tse-tung, "The Struggle in the Chinkang Mountains", SW, Vol.1, p.82.

29. Jao Shu-shih, "Experiences in East China Land Reform Experiments Summed Up", in SCMP, No.39, December 29-31 1950, pp.43-45. Chinese text, "Hua-tung t'u-ti kai-ko tien-hsing shih-yen ching-yen tsung-chi" in KPHHTL, No.26 February 1951, pp.65-67. For Teng Tzu-hui's idea on the subject refer to "Kuan-yü t'u-ti kai-ko ti chi-ko chi-pen wen-t'i", (Several basic problems with respect of agrarian reform), December 26th 1950, KPHHTL, No.26, February 1951, pp.19-36.

and breaking the back of resistance; however, what becomes critical is the ability to judge when conditions are sufficiently ripe so that cadres can "push" or "leap".

Jao certainly indicated that he wanted both solid preparation and momentum, and, hence, his three methods have to be seen in the context of the following qualification:

"Each step in land reform is the integration of previous experience in reform experiments with local conditions. The work will then be extended to other districts, as each stage prepares the conditions for the next step. This method is both steady and quick, and avoids the pitfalls of overhastiness and drag."<sup>30</sup>

However, one must ask whether or not cadres with only a "preliminary understanding" of policy and the mass-line were able to make the subtle distinctions, necessary, boldly mobilizing the masses when conditions were ripe, but steadily advancing step by step when policy-levels were low and the masses ill-prepared. Jao very clearly warned against bold advance without preparation: "As long as leadership is not experienced, or is not acquainted with local conditions, it is entirely correct and necessary to stress the policy of care and steady advance."<sup>31</sup>

Indeed, implicit in this law of "from points to surface" is the notion of building step by step, reminiscent perhaps of the building of Kiangsi soviets. A key-point would be consolidated and would act as a model for and exert influence on contiguous points. Once sufficient momentum was achieved, the points could be boldly linked and a plane or surface established. This method also implies a pattern of personnel transfer, which facilitates the concentration of experienced personnel at one key-point. The pattern is suggestive of well-tried principles of guerilla strategy, whereby a numerical superiority is achieved at weak spots in the enemy's lines.

Jao described the pattern of personnel transfer between key-points and contiguous points in the following way:

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30. Jao, "Experiences Summed Up, etc.", op.cit., p.43.

31. Ibid., p.44.



"The method to be used is to transfer a large group of experienced peasant cadres and members of land reform corps to development work throughout the ch'u, under the principle of covering the whole district and massing them at selective points. That is to say, on the one hand, one or two hsiang are to be selected as basic villages where cadres should be concentrated and where intensive work is to be carried out, in order to break through at the centre. On the other hand, a certain number of cadres should be deployed at outlying villages for setting in motion the movement there. The outlying villages should rotation send cadres and peasant activists to the basic villages for study and basic villages should from time to time send cadres to outlying villages to report on their experiences."<sup>32</sup>

Jao wanted to use "basic villages" to lead the "outlying villages"; however, his method required a particularly fine sense of timing, for if the tempo was too quick the relation between "basic villages", or key-points, and "outlying villages", or prospective key-points, would become distorted. Rather sanguine, Jao expressed confidence that all would be well, provided the tempo of work in the "outlying villages" ... kept a step or two behind that of the "basic villages".

In theory the key-point method was a highly rational solution to the difficulties of administrative distance, Teng Tzu-hui, in his December 26th 1950, discussion of problems in the implementation of agrarian reform, pointed out that more than twenty years of experience had adequately demonstrated the correctness of this method. More specifically, he outlined three reasons why this method was particularly appropriate to the Central-South in December 1950.<sup>33</sup>

First, he argued that the revolution had developed unevenly (indeed one might also note that all the mass campaigns of the early 1950's developed unevenly). The difference in terms of the relative strength of peasants and "feudal" forces between two hsien or two hsiang could Teng argued, be as great as that between heaven and earth. Teng, like Jao, was very aware that this pattern of unevenness placed a very high premium on localization if agrarian reform was to succeed, and he pointedly remarked:

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32. Jao, "Experiences Summed Up, etc.", op.cit., p.44.

33. Teng, "Kuan-yü t'u-ti kai-ko etc", op.cit., p.30.

"...often in one hsien the peasants' revolutionary dictatorship will already have been established and yet in the next hsien the peasants will be under either the overt or covert control of feudal forces. Under such conditions, we cannot simply rely on outside forces and the substitution of administrative fiat for mass mobilization."<sup>34</sup>

To achieve successful results, the key-point method depended on the recruitment of local activists as well as the circulation of experienced cadres with tested leadership ability.

Secondly, Teng conceded that there just was not enough cadres. There were very few cadres who had experience of land reform and the mass line and who also had a correct grasp of policy. Teng claimed that often there were only one or two such cadres per hsien. Teng observed that had there been enough cadres, experienced in class struggle, then a wider front would have been possible, but victory had been too sudden, and the newly liberated area of Central-South was too vast while the number of cadres was too small. A blitz, whereby all points were attacked simultaneously, was completely impracticable.

Thirdly, arguing from the perspective of a union of theory and practice, Teng claimed that the land reform regulations of themselves were of less significance than the accumulation of experience. Land reform was a new experience. The masses did not have experience, nor did the majority of cadres. To his mind, the key-point strategy provided an unparalleled opportunity to train cadres on the spot and, thus, develop their creativity.

Teng explained that there were two ways of going "from points to surface", which entailed two different ways of circulating scarce manpower resources, and capitalizing on the experience of old cadres.<sup>35</sup> first, he considered applying the key-point strategy in a "wave-like" action, taking one basic village and expanding the circumference of action to include up to ten other villages. The basic village would give impetus to and assist the other villages, and during this process many cadres would be cultivated.

34. Teng, "Kuan-yü t'u-ti kai-ko, etc.", op.cit., p.30.

35. Ibid., p.31. In this particular passage, Teng's use of the words "peasant dictatorship" (nung-min chuan-cheng) casts some doubt on his understanding of Marxism-Leninism.

The second method of "leaping", implied greater momentum in as much as cadres could, given favourable local conditions, be transferred, before the initial key-point had been consolidated, to other hsiang or ch'u. Teng specifically suggested that, if work was going well at the key-point, a few cadres could be retained at the key-point to consolidate work, while the rest of the cadres could be grouped into three units and despatched to create three new key-points.

As for the final stage of linking points to surface, Teng instructed hsien and ch'u leadership organs to pay close attention to eight cardinal rules paraphrased as follows: (1) in the course of preparing one point and then the next, insure an appropriate distance between points; (2) initially restrict work to ch'u and hsiang levels; (3) to maximize the effect of victory in one hsien or ch'u, mobilize peasants in neighbouring ch'u to send representatives to the basic villages to witness and link up with the experience there; (4) once a key-point has been penetrated, focus on transfer of cadres to work in new key-points, but also take care to consolidate old key-points, hence all cadres are not to be transferred at once; (5) once several key-points have been penetrated, call an all-ch'u and all-hsien peasants' representatives conference to discuss the agrarian reform laws and the experience of work in key-points; the conference is to be used as forum for enlarging propaganda activity, exchanging experiences and cultivating activists; (6) at the appropriate time, convene all-ch'u united struggle meetings; (7) the hsien and ch'u agrarian reform committees must at the appropriate time convene meetings of all responsible cadres in the hsien or ch'u to summarize work at key-points; (8) hsien and ch'u agrarian reform committees must resolutely grasp agrarian reform as the centre of work, coordinating various related types of work in order to further that task.

As described by Teng and Jao, the key-point method appears as a highly rational strategy to overcome the uneven pattern of political integration in rural China and also a way of overcoming the difficulties of administrative distance. The key-point strategy was integral to the success or failure of many of the mass campaigns of the early 1950's, but it was probably most developed in the agrarian reform movement.

In the case of the wu-fan movement, the time elapsed between key-point investigation and demonstration of models and the extension of the campaign "from points to surface" as often a matter of weeks, hence one suspects that the strategy was more of a perfunctory impulse than anything else. Perhaps leadership in the cities was more concentrated, and, hence, there was less need for such a strategy. At any rate, the strategy was once again applied on a nationwide scale in terms of preparing elections at all levels in 1953.

However, the real test of a strategy is in its implementation. One more than suspects that the dimensions of the "peaceful distribution" deviation were such that the pressure to get on with agrarian reform militated against the rational application of the key-point strategy with the result that more "leaping" was done, and the appropriate distance and relationship between basic and outlying villages became problematic.

On November 29th 1950, it was reported that the CSMAC had approved requests from the provincial governments of Hunan, Hupeh and Kiangsi for the extension of the area, earmarked for agrarian reform in the winter of 1950 and the spring of 1951.<sup>36</sup> At that time, it was noted that there would be no extension in Kwangtung and Kwangsi, where bandit bands had not been completely eliminated, and where conditions were not considered ripe; however, on December 2nd 1950, it was reported that the Kwangtung government had received CSMAC approval to extend the agrarian reform area from three to eleven hsien.<sup>37</sup>

Similarly, in late November during the second conference relating to models of agrarian reform experience in East China, Jao Shu-shih switched to an emphasis on "taking a free hand to mobilize the masses under proper leadership", and in the beginning of December, the ECMAC approved an expansion of the area to be covered in the 1950-51 slack season; for example, the number of hsien affected in Fukien, jumped

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36. NCNA, Hankow, November 29th 1950, in SCMP, No.20, November 30th 1950, pp.8-9.

37. SCMP, No.22, December 3-4 1950, p.18, from NFJP, December 2nd 1950.

from six to forty-three. The projected total of rural population, covered under the revised programme, was 66 million, representing an increase of 19 million over the original subject population.<sup>38</sup>

CCP propaganda concentrated on the theme of counter-revolution, explicit in the "peaceful land reform" deviation. When Tu Jen-sheng reported on November 19th 1950, as to problems in the leadership of Central-South agrarian reform, he treated "peaceful distribution" as a regional and not simply a Kwangtung problem. He observed that out of every 100 hsiang, twenty could be characterized as "good", while thirty could be said to be "very bad".<sup>39</sup> The Chang-chiang jih-pao in an editorial of December 6th 1950, claimed that "peaceful land reform" had infected thirty per cent of village land reform demonstrations.<sup>40</sup> "Peaceful land reform" was related to liberalism, and, hence, stood antithetical to Marxism-Leninism. The editorial was also critical of cadres, who were preoccupied with the technical aspects of distribution. This "8-step 3-relationship" thinking, which over-emphasized orderly step-by-step progress and the importance of leadership, reportedly down-played the significance of struggle, and thus contributed to the "peaceful land reform" deviation.

The CCP continued in its emphasis to the effect that different tactics were to be adopted in different areas; however, the reasoning behind the "peaceful land reform" deviation was vigorously attacked. Hence the arguments that the south was different from the north in that the patterns of land tenure were different south of the Yangtze, were viewed as erroneous in so far as they related to the degree of feudal oppression exhibited in any given region.

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- 38. Liu Jui-lung, "Report on Agrarian Reform in East China", March 19th 1951, CB, No.91, p.3.
  - 39. Tu Jen-sheng, "Tang-ch'ien t'u-ti kai-ko chih-tao chung ti chi-ko wen-t'i", (Several problems of present day agrarian reform leadership), KPHHTL, No.25, January 1951, p.21.
  - 40. "Chiu-cheng ho-p'ing fen-t'ien ssu-hsiang fang-shou fa-tung chün chung", (Rectify peaceful land distribution thought, take a free hand to mobilize the masses) in KPHHTL, No.25, January 1951, p.31.

For example, Chang Ken-sheng, in his analysis of the pattern of land ownership in Central-South refuted the notion that land was more dispersed in the south than the north. He argued that under the "reactionary rule" of the KMT, bureaucrats and landlords had managed to acquire large land holdings.<sup>41</sup> In the Tung-ting Lake region, for example, many big landlords had allegedly connived with the government to secure large areas of lake-shore each year. Chang similarly contended that warlords and bureaucrats in Kwangtung had managed to gain ownership of one third of the land. As for clan land, which in the Kiangnan areas of Hunan, Kiangsi and Hupeh, accounted for more than fifteen per cent of land (the figure ran as high as thirty per cent in parts of Kwangtung), Chang argued that such land contributed to the feudal domination of landlords, who controlled the clans and secret societies.<sup>42</sup>

Given the extent of the "peaceful land reform" deviation, one can readily see the problems of policy implementation at the basic levels — problems which no doubt arose out of overt or covert resistance on the part of landlords and widespread peasant misunderstanding of policy, but which also stemmed from the lack of an organizational network, staffed by experienced cadres.

The extent to which the key-point strategy was rationally implemented is revealed in the detailed summaries of land reform experiences, which were included in reinvestigation documentation. This documentation, concerning the later stages of agrarian reform, strongly suggest serious problems in leadership at the basic levels and tends to support the view that the CCP did not achieve its primary objective in agrarian reform, namely the generation of genuine political consciousness on the part of the masses in the "newly liberated" countryside. One of course must approach the reinvestigation

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41. Chang further develops this critique of the "South is different argument" in a CCJP article of November 12th 1950 in HHYP, Vol.1, No.3, November 1950, pp.45-47. Here refer to Chang Ken-sheng "Chung-nan ch'u ko-sheng nung-ts'un she-hui chieh-chi ching-k'uang yu tsu-t'ien kuan-hsi ti ch'u-pu t'iao-chia", (Preliminary investigations of the relation between class conditions in villages of the various provinces of the Central-South Region to rented lands) in KPHHTL, No.15, September 1950.

42. Chang Ken-sheng, KPHHTL, No.15, September 1950, p.64.

documentation with a considerable degree of circumspection as these cases of problem hsiang received publicity as "bad examples". These cases were used to highlight agrarian reform implementation difficulties and, thus, to educate cadres; therefore, one might anticipate that some problems were purposefully exaggerated in order to achieve an heuristic end.

In his June 16th 1951, report on land reform in East China villages, Hu Kung reckoned that between mid-December 1950 and mid-January 1951, 35,656 hsiang (i.e. 81 per cent of total East China hsiang) had experienced land reform.<sup>43</sup> Hu reported that due to different conditions in work and personnel, the movement had not developed evenly, and he established three rough categories to deal with this unevenness. 30 per cent of hsiang, according to Hu's reckoning, belonged in the first category. Agrarian reform had been satisfactorially conducted in these hsiang. Not surprisingly, 50 per cent of hsiang were placed in the intermediate category. The hsiang in this category had basically completed agrarian reform, but the cadres in these hsiang had been over hasty in the classification of individual's class status and had not yet distributed all the fruits of reform. The districts of the third category, accounting for roughly 20 per cent of hsiang, cadres had usurped the role of the masses, and in many cases protected landlords.

In his report at the third plenary session of the ECMAC, Liu Jui-lung indicated general satisfaction with the progress of land reform in East China. Liu did admit that excesses had occurred in November-December 1950, when feelings over the Korean War were running high. Apparently, uneducated masses had then punished landlords, stripping them, beating them and making them eat cow dung, and leading cadres, who had been distracted by preparations for war, had initially failed to rectify the situation. But according to Liu, the situation was rectified after Jao Shu-shih issued directives on December 24th 1950, and January 4th 1951, urging cadres to restore

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43. Hu Kang, "Land Reform in East China Villages", NCNA, Shanghai, June 16th 1951, SCMP, No.119, June 19th 1951, pp.4-6.

discipline in the villages. On the whole, Liu was satisfied that in the majority of hsien, agrarian reform had been implemented properly. He proclaimed the success of East China agrarian reform in these terms:

"Agrarian reform in East China has been carried out under leadership and in an orderly fashion. Preparatory work in various localities was relatively complete and under the leadership in the various localities, the policy of mobilizing the masses with a free hand under proper leadership was effectively grasped from beginning to end. The distinction between various policies for agrarian reform were rigorously upheld. The general line of relying on poor peasants and hired labourers and uniting with middle peasants was thoroughly carried out, and the strategy of model demonstrations and linking points to surface was grasped from beginning to end."<sup>44</sup>

Liu's colleagues in the Central-South had less reason for congratulatory messages. In the Central-South "half-cooked rice" situations were common where key-points had not been consolidated, and where the move "from key-points to surface" was often premature. A report based on the reinvestigation of Peng-hsing ch'ü, Siao-kan hsien, in Hupeh, noted serious problems in "intermediate" hsiang in Hupeh. It was reported that landlords had escaped the rigours of class struggle by buying protection from peasants and having themselves misclassified as rich or middle peasants. It was furthermore asserted that many village peasant associations functioned in name only. Attitudes of the peasants after agrarian reform suggested a very low degree of politicization. The report concluded: "Thus although there are a few activists, the peasant masses as a whole tend to be preoccupied with production and indifferent towards political questions."<sup>45</sup> The problem of peasant collaboration was particularly vexing; for example, in No.8 Village half the peasants were alleged to have helped landlords disperse their property.

A directive of the Central-South Bureau, dated December 28th 1951, re-emphasized steady advance and the thorough preparation of key-points

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44. Liu Jui-lung, "Kuan-yü hua-tung t'u-ti kai-ko kung-tso ti pao-kao", CFJP, March 29th 1951, in HHYP, Vol.3, No.6, April 25th 1951, p.1263.  
 45. Hankow, CCJP, August 28th 1951, SCMP, No.179, September 21-22 1951, pp.30-32.



The Honan provincial authorities subsequently stressed that it would be better to leave agrarian reform uncompleted in some hsiang until after spring ploughing rather than rushing the process through. Hupeh responded by concentrating on "advanced" and "intermediate" villages, postponing action in villages of the third category until after spring ploughing. Kwangsi and Kiangsi similarly contracted the front of agrarian reform.

A bulletin of the CSMAC Agrarian Reform Committee summed up the situation as follows:

"Yet owing to the fact that there are a large number of soldiers, but not enough generals, forces of leadership became more and more scattered as they spread wider and wider and grew weaker and weaker."<sup>46</sup>

In other words, personnel transfer, as envisioned in the key-point strategy had failed.

This bulletin of February 3rd 1952, also drew attention to statistics, covering several hsien, which had revealed that 50 per cent of peasants in these hsiang had been deceived by the landlords' tactics of scattering their properties and that even more alarming 10 per cent of the peasants had actually collaborated with the landlords in their cover-up of their real properties.<sup>47</sup> It was estimated that 20 per cent of cadres had committed errors. The following statement helps to explain why so many deviations occurred:

"Owing to the fact that there is a pressing schedule of work, leading organizations have not been able, nor has it been possible to conduct this work in a planned manner."<sup>48</sup>

The CCP Central-South authorities quite explicitly recognized that the tempo of agrarian reform during the extension of the movement, initiated in the latter part of November 1950, had militated against the rational implementation of the key-point strategy. Cadres had rushed ahead without adequate preparation "from points to surface". The bulletin also recognized that the Central-South's meagre manpower resources had been overcommitted and anticipated unavoidable

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46. Hankow, CCJP, February 5th 1952, SCMP, No.282, February 26th 1952, p.33.

47. Ibid., p.35.

48. Ibid., p.36.

distraction as leading authorities and organizations divided their attention between agrarian reform and the current san-fan movement.<sup>49</sup>

The results of reinvestigation in Honan province confirmed the February 3rd assessment of the Central-South Bureau in rather startling fashion as Honan had earlier been held up as an example of good preparation and consolidation in agrarian reform work.<sup>50</sup>

Chao Ping-yeh, in an article entitled "Serious Problems Concealed in Advanced Hsiang in Honan", which appeared in the January 16th 1952, issue of Chang-chiang jih-pao, placed his findings in the context of the concern pervading the leadership's thinking over the threat of counter-revolution and the possible contamination of CCP cadres, exposed to large numbers of retained KMT personnel. Chao claimed that in Yu-chuang hsiang and Hsu-ch'ang hsien (areas which had achieved "advanced" status), the "feudal rulers" had survived the high tide of class struggle. The landlords, according to Chao, had managed to perpetuate their power by bribing cadres.<sup>51</sup> Chao also accused leading cadres of leaving village mobilization to village cadres and activists. He reported that the masses were only interested in production and not interested in class enemies.

P'ei Meng-fei in his reinvestigation of "advanced" hsiang in Honan similarly criticised old cadres for failing to go deep into the masses and for usurping the role of the masses. The following comment regarding the implementation of the key-point strategy is particularly revealing:

"Another reason why it has not been possible to penetrate into the midst of hired farm hands and poor peasants is that the leading organization has forsaken its duty. The establishment of key-points in every ch'u has broken the combination law of points and surfaces. This has shifted leading organization to a passive position and thrown it into bustle and confusion."<sup>52</sup>

49. Hankow, CCJP, February 5th 1952, op.cit., p.35.

50. For example see the CCJP editorial of August 12th 1950, which eulogized the success of a twenty-four day rectification meeting, called by the Honan Provincial Party Committee, in KPHHTL, No.16, September 1950, p.91.

51. Hankow, CCJP, January 16th 1952, SCMP, No.268, February 5th 1952, p.19.

52. Hankow, CCJP, February 22nd 1952, in SCMP, No.296, March 16-17 1952, p.32.

The CCP explicitly recognized that difficulties in agrarian reform stemmed from cadre leadership and in the final stages of agrarian reform in the Central-South a movement to purify and reorganize the rank and file was initiated in March and April 1952. Cadre conferences in the hsien and special district levels were then convened to review cadre standpoint, work-style and ideological conviction.

On March 1st, the Chang-chiang jih-pao reported that the Central-South Bureau had ordered the reorganization of the ranks in Honan. In the decision, which was circulated throughout Central-South China, the Bureau accepted reinvestigation allegations and expressly stated:

"This data shows the impurity of the ranks of land reform cadres is serious. Particularly terrible is the serious impurity of the ch'u cadres who lost their political stand and protected landlords and counter-revolutionaries."<sup>53</sup>

The following comment indicates that the Central-South Bureau perceived that the rush, which had taken place in agrarian reform after November 1950, had led to the irrational implementation of the key-point strategy:

"The failure to lay stress on the reorganization of the ranks during 1950-1951 when ground work was laid for land reform and re-examination work, has been a painful lesson. Hereinafter, we must reorganize the ranks (both in the course of the present land reform and re-examination work and in the course of the future "three-anti" campaign in hsien, ch'u and hsiang) in order to ensure thorough victory of the struggle for social reform in the countryside."<sup>54</sup>

According to the data on Kiangsi, then available to the Central-South Bureau, 6 per cent of land reform cadres were seriously impure and another 22.6 per cent had to be subjected to Party discipline. The report stressed that 60 per cent and in some cases 90 per cent

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53. Hankow, CCJP, March 1st 1952, SCMP, No.299, March 20th 1952, p.12-14.

54. Ibid., p.11.

of village cadres manifested impure ideology and working style, and to underline this fact it was duly noted: "This estimate is not exaggerated and accords with the practical situation."<sup>55</sup>

Judging by the tremendous concentrations of personnel in Kwangtung and the extended life of agrarian reform there, that province proved to be the toughest "nut" to crack. On April 16th 1952, T'ao Chu, fourth secretary of the South China Sub-Bureau spoke in rather forceful terms to an enlarged cadre conference, convened by the Party Committee of the Central Kwangtung Special District. Reorganization of the rank and file was crucial in T'ao's view for the problems in Kwangtung did not simply stem from the lack of experience on the part of cadres. The problems were fundamentally ideological, stemming from improper style of work and lack of firm standpoint.

T'ao then looked back on the last two years of agrarian reform in Kwangtung and revealed his own frustration as to the overall question of communication, which bedevilled the land reform experience when he said:

"The present question is, we have gone astray so much and there is still not a path that is relatively straight. This is what defies explanation. Why has it often been difficult to fulfil the policies? Why have we always gone astray? You point out to them [i.e. basic-level cadres] that it is wrong to stage colourful demonstrations and they stop struggle completely and the rest is silence. You point out to them that "peaceful agrarian reform" is out of the question, and they stage colourful demonstrations, indulging in riotous struggles and riotous distributions. They are always reluctant to mingle with the peasants and to accept the "3 together" principle. Especially to be mentioned is the tendency of violating the law and discipline, indulging in wilful practices, protecting landlords either openly or illicitly, employing depraved persons, abetting the landlords animus, suppressing the voice of the peasants — these things have occurred incessantly."<sup>56</sup>

55. Hankow, CCJP, March 1st 1952, *op.cit.*, pp.12-14.

56. See "The Agrarian Reform Movement and Reform of the Cadres in South China", CB, No.184, June 12th 1952, p.27.

Obviously agrarian reform was of far reaching significance in terms of the consolidation of the CCP's hold over the countryside. The CCP crashed through the hsien barrier to attempt politicization at the basic levels of society, but there is room for doubt as to the significance of the movement in terms of "political integration", defined as the generation of mass consciousness in the course of social revolution. The Party had a theoretical solution to administrative distance, but it seems obvious that "leaping" "from points to surface" on the basis of a hypothetical "firm stand" on the part of basic-level cadres was not adequate to the task at hand. The reorganization of 1952-54 at the basic levels casts doubt on the policy-level and political consciousness of the cadre workforce which had brought about agrarian reform. In theory and in directives, proper leadership and adequate preparations were stressed; the agrarian reform leadership constantly stressed the carefully timed movement "from points to surface"; but these emphases were lost in the momentum of the campaign, and the pressures, which built up within the Chinese political system at the time of the Korean War and the Suppression of the Counter-Revolutionaries Campaign exacerbated the weaknesses in the structuring of the mass line and over-taxed the CCP's embryonic system of communications.

## V

iii) The Measure of "Counter-Revolution" in Victory

One is immediately struck by the fact that there is no established norm which can be utilized in the measuring of political integration. How much political integration is enough political integration? Maoist perspective would seem to suggest that there never is enough. While Mao celebrated man's ability to scale mountain tops, if he would only dare, there is in Mao's concept of rectification and in his theory of contradictions an implicit, if not explicit, comment on the nature of man. Mao warned that the "new" man who emerged from the revolution in the countryside had, nonetheless, to wash his face every day, or lapse into the degenerate attitudes, which had characterized "old" China.

This perspective is fundamental to the definition of the relation between leadership and the mass line. Throughout his revolutionary career, Mao had stressed the importance of doing investigation and study, of going down and getting the facts straight by linking directly with the masses. If a cadre did not wash his face, if he did not practice criticism and self-criticism and instead remained in his office chair sifting through papers, his leadership style would deteriorate. Such a cadre could only practice a subjectivist, bureaucratic method of leadership.

On numerous occasions Mao warned against organizational decadence and the deterioration of leadership. Furthermore, he emphasized that the recruitment of new virtue (te) and ability (ts'ai) was necessary to healthy organization. This view was explicit in personnel policy articulated in the later stages of the Three-Antis Campaign. In the context of this campaign an undue emphasis on past merit and seniority was eschewed as "meritism".

Western sociological perspective nearly counterposes organization and charisma. Institutional stability is thus perceived as a prerequisite to political integration. Approaching the history of CCP organization from this perspective, one might naturally conclude that the exercise of the mass line was inimical to the development of organization. One might even suggest that there is explicit in the CCP's continuing preoccupation with bureaucratism a disdain for organization. These perspectives, however, do not further

our understanding of the relation of the mass line to political integration in China. An emphasis on the inevitability of contradictions may be consistent with a tendency to anticipate organizational decadence, but it is not necessarily demonstrative of an anti-organizational point of view. The assimilation of Leninist concepts of leadership was unquestionably essential to the CCP's coming to grips with the problems of political disintegration.

It was noted earlier that agrarian reform strategy was based on the differentiation of "old", "semi-old", and "newly liberated area". Central to the development of the campaign was the summing up of experience at key-points or model hsiang. This summing up facilitated the move to link points to surface, as advanced hsiang were related to intermediate and backward hsiang. This inter-relation was fundamental to the training and education of large numbers of activists. A similar perspective is explicit in the Maoist approach to rectification. Rectification is a process of education, basic to the healthy exercise of leadership and the cultivation of a good work style. Rectification involved personnel turnover, and it provided the mechanism whereby organization could be regenerated through the induction of activists.

Mao summarized these points in his June 1st 1943, discussion of methods of leadership. He then characteristically divided the masses into three groups, the relatively active, the intermediate and the relatively backward, and he clarified the relation between the mass line and the development of organization in the following terms:

"If we compare these three groups of people, then in general the two extremes are small, while the middle group is large. The leaders must therefore be skilled in uniting the small number of active elements to form a leading group, and must rely on this leading group to raise the level of the intermediate elements and to win over the backward elements. A leading group that is genuinely united and linked with the masses can be formed only gradually in the process of mass struggle, such as in rectification or study campaigns, and not in isolation from it. In the process of any great struggle, the composition of the leading group should not and

cannot remain entirely unchanged through the initial, middle and final stages; the activists (heroes) who come forward in the course of the struggle must constantly be promoted to replace those original members of the leading group who are inferior by comparison, or who have degenerated."<sup>1</sup>

The notion of "from the masses to the masses" has, of course, important ramifications in terms of the general approach to government, but is particularly important in terms of the structuring of a mass campaign. The mass line is activated at key points, and the experience gained is summarized. It is only after these tests have been made that the Party will formulate the regulations governing the development of a campaign on the greater regional or national level. Hence structure is often thrown up in the course of, rather than prior to, a campaign. There was inevitably as a result of the attempt to unite theory and practice a regional unevenness in the first stages of a campaign. The process also seems to imply an initial decentralization in order to serve the process of centralization, as the Party formulated policy in the very act of uniting theory and practice. This approach to government seems implicit in the following instruction:

"Formulate general ideas (general calls) out of the particular guidance given in a number of cases, and put them to the test in many different units...; then concentrate the new experience (sum it up) and draw up new directives for the guidance of the masses generally. Comrades should do this in the present rectification movement, and also in every other kind of work."<sup>2</sup>

The mass line was of crucial importance in terms of the strengthening of leadership and organization, and in the following discussion of the development of the Three Seasons and Three-Antis

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1. Some of the important nuances of this passage have been deleted in the translation of this June 1st 1943, directive, which appears in Mao Tse-tung, S.W., Vol.III, hence refer to Stuart R. Schram, ed., The Political Thought of Mao Tse-tung, pp.315-316.
  2. Mao Tse-tung, "Some Questions Concerning Methods of Leadership", June 1st 1943, SW, Vol.III, p.120.



rectifications and the expansion of san-fan into wu-fan, we can review the problems which emerged as the CCP attempted to elevate its theory of organization to the plane of administrative practice. One might, however, note at the outset that in attempting to balance mobilization and control in the course of rectification, the CCP seems to have generally erred in the direction of control. In terms of rectification, the element of discipline as opposed to flexibility, seems to have figured more predominantly. In terms of our discussion of the structure and functioning of the GAR level of administration, it would seem that even though this administration was "dual" and the GAR governments acted as the "highest local people's governments", the vertical element of the GAR institutional personality came to the fore. Rectification necessitated a rather vigorous imposition of discipline through a vertical command structure.

Although rectification must be seen as a Maoist response to the problems of bad leadership style and organizational decadence, and the tensions generated were purposeful in terms of the strengthening of organization, there were many instances in which the shock of the experience had definite short term effects on institutional performance. We have already seen that the unfolding of the three- and five-antis rectifications in East China led to a disruption of planning in that region. No doubt the campaigns had a similar effect on planning at the centre, particularly as cadres in the CPG economic and finance ministries, due to their close proximity to the national bourgeoisie, were on the firing line in the initial period of central government rectification.

Agrarian reform was also affected as leadership cadres increasingly turned their attention away from the problems of policy implementation at the basic levels to deal with the development of the Three-Antis Campaign. While Maoist strategy had always been calculated on the basis of a target group of five

per cent, the net shock of rectification affected substantially greater numbers of cadres, and it is difficult to determine with any degree of precision at what point the psychological effect, consequent upon the yelling at cadres, "You are sick!" became counter-productive to the strengthening of organization.

In the border regions of North Region, rectification had assumed crucial significance in terms of the maintenance of Party discipline in a period of united front. Liu Shao-ch'i summed up the problem rather succinctly in his speech of July 2nd 1941:

"During the long period of the United Front, the possibility of the bourgeoisie influencing the Party has also increased. Counter-revolutionary elements hidden in the Party have used every method to develop and support liberalism within the Party, and consequently the tendency of liberalism has developed."<sup>3</sup>

The problem of counter-revolution became even more critical as the CCP extensively applied the Peiping-Suiyuan patterns in the closing stages of the Civil War. These patterns derived from united front strategy. On March 5th 1949 Mao reviewed with a new nationwide perspective the problems of establishing a firm foothold in China south of the Yangtze and elaborated on the application of united front strategy:

"In each big or medium city, each strategic region and each province, we should develop a group of non-Party democrats who have prestige and can co-operate with us. The incorrect attitude towards non-Party democrats, fostered by closed-door style in our Party during the War of Agrarian Revolution, was not entirely overcome during the War of Resistance Against Japan, and it reappeared in 1947 during the high tide of the land reform in the base areas. This attitude would serve only to isolate our Party, prevent the consolidation of the people's democratic dictatorship and enable the enemy to obtain allies."<sup>4</sup>

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3. Liu Shao-ch'i, "On Intra-Party Struggle", translated in Boyd Compton, ed., Mao's China, p.204.
  4. Mao Tse-tung, "Report to the Second Session of the Seventh Central Committee", SW, Vol.IV, p.373.

But Mao was fully aware of the dangers inherent in this strategy and he said of the Peiping pattern: "For the purpose of rapidly eliminating the vestiges of counter-revolution and liquidating its political influence, the solution is not quite as effective as fighting".<sup>5</sup>

The inter-relation of armed struggle with political and economic development such as the building of people's democratic state power, the promotion of social reform and economic reconstruction broke down as the Peiping-Suiyuan patterns were extensively applied throughout the summer and winter of 1949. The CCP had started a training programme in 1948, but there were not enough cadres to meet demand, particularly in the "newly liberated areas", and the retention of large numbers of KMT personnel in their former positions was a logical necessity. United front was obviously essential to the strategy whereby a numerical superiority could be achieved against class enemies, but it posed difficult problems in terms of sustaining the revolutionary spirit within the Party.

It is not surprising, therefore, that Mao in the very moment of countrywide military victory should have seriously considered the problem of counter-revolution. Mao feared that cadres, who had suffered the deprivations and hardships of war would, upon entering the cities, fall to the "sugar-coated bullets" of the bourgeoisie and he warned:

"With victory certain moods may grow within the Party — arrogance, the airs of a self-styled hero, inertia and unwillingness to make progress, love of pleasure and distaste for continued hard living.... There may be some Communists, who were not conquered by enemies with guns and were worthy of the name of heroes for standing up to these enemies, but who cannot withstand sugar-coated bullets; they will be defeated by sugar-coated bullets. We must guard against this situation."<sup>6</sup>

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5. Mao Tse-tung, "Report to the Second Session of the Seventh Central Committee", op.cit., p.361.
  6. Ibid., p.374.

In the early days of the new regime, however, the leadership was distracted first by the financial and economic crisis of the immediate post-war period and then with problems of consolidating the revolution in China's "newly liberated countryside and the effort to sustain the CPV effort in Korea. Despite apparent widespread manifestation of improper cadre working style, the Party could not in 1950 afford the political consequences of a full exploitation of the mass line techniques in rectification. Hence the Three Seasons rectification of 1950 did not go deep in terms of the extensive application of disciplinary procedures, involving trials, demotions and dismissals. The Three Seasons Campaign was primarily an exercise in education and study. It unfolded from top-to-bottom. There was no real question of from bottom-to-top. At the bottom there was little organization to speak of. There was, however, a universal problem of policy-level and political consciousness. The great mass of lower-level cadres had hardly mastered the ABC's of Marxism-Leninism, and they were only vaguely aware of general policy. The Three Seasons rectification was essentially a study campaign designed to facilitate the implementation of policies. Study was immediately related to the concrete tasks of political consolidation.

In May 1950, the CCPCC directed its regional bureaux in the GARs to draw up plans for the development of rectification in accordance with the concrete tasks in each region, thus East China, Central-South, Southwest and Northwest CCPCC Bureaux and the South-China Sub-Bureau were instructed to carry out rectification before the autumn, as it was thought that the training and study, which accompanied rectification, would provide a solid foundation for the launching of the first stage of agrarian reform in the "newly liberated areas" in autumn, 1950.<sup>7</sup>

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7. JMJP, July 1st 1950, p.3.

The regional plans revealed the top-to-bottom aspect of the campaign. First old cadres were educated, then new cadres were educated. First, study was conducted at higher levels and then the higher-level cadres were sent down to educate the lower-level cadres. Hsi Chung-hsün, for example, instructed at the first plenary session of the NWMAC upon the following point:

"The steps to be taken in the leadership of the rectification movement are to be from top to bottom. First improve leadership and only then penetrate to lower levels."<sup>8</sup>

In East China, the first priority was attached to the training and education of cadres at hsien and above levels, and once trained, these cadres were set down to direct programmes at sub-hsien levels. The process encompassed three steps. Cadres at hsien and above levels were transferred to provincial and regional Party Committee schools for rectification to be completed in three half-monthly instalments, beginning in June 1950. In the last part of July, the mass of hsien and ch'ü cadres, involved in agrarian reform were to be assembled by local Party Committees and Party training corps for a period of training to last from twenty days to a month. Beginning in August, hsien Party committees were to conduct classes, which would draw on cadres from ch'ü and hsien levels in rotation for a period of fourteen to twenty days.<sup>9</sup>

The Southwest authorities stressed two methods in the prosecution of "rectification".<sup>10</sup> At the GAR and provincial levels the first half of the day was to be devoted to routine business and the second half of the day to study, reading of documents, summarizing work, etc. The various organs and departments were to organize "rectification-study committees" (cheng-feng hsüen-hsi wei-yüan hui), which were to plan and direct study. The second method, which was to prevail at local levels in the Southwest, was simply the calling of rectification meetings, bringing together important local cadres for ten days to half a month. However, it

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8. Hsi Chung-hsün, "Chieh-ho shih-ch'a chieh-chüeh wen-t'i", (Co-ordinating the practical solution of problems", September 11th 1950, JMJP, in KPHHTL, No.18, October 1950, p.31.
  9. JMJP, July 1st 1950, p.3.
  10. JMJP, August 10th 1951.

was candidly admitted that this method had only been adopted in part of the region because cadres were too dispersed and work in the "newly liberated areas" was exceedingly difficult.

During the campaign, the Party became vitally concerned with "bureaucratism", defined in terms of the weak link between cadres and the masses, in terms of work which lacked a "centre", and in terms of a tendency at the local levels towards "operationalism" and "commandism".

Hsi Chung-tung's report on commandism and bureaucratism in the Northwest drew attention to the inaccuracies of cadre reporting.<sup>11</sup> Those cadres, who wanted no more responsibilities, submitted "bad news" reports, over-emphasizing their difficulties, while other cadres committed the leftist error of underestimating local conditions and sent in "good news" reports.<sup>12</sup>

The problem was especially serious in the context of the food situation in the Northwest; for example, the Northwest Department of Finance did not have an accurate understanding of the local grain situation in Shensi due to inadequate reporting. An investigation at the end of 1949 established that there was sufficient food up until the summer of 1950. Investigations of March and February also indicated that the food situation was under control. However, a conference of the NWMAC Economic and Finance Committee belatedly discovered that in fact there was an alarming shortage.<sup>13</sup>

Similarly, Hsi revealed that bureaucratism in the Department of Agriculture and Forestry had disrupted the NWMAC's plans to increase cotton acreage. The biggest single project under the aegis of the department involved the purchase of 260,000 catties of cotton seeds. The project was a massive failure, involving the loss of more than 3,000 million (yüan), and leading state organs had failed to investigate the situation.<sup>14</sup>

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11. Hsi Chung-hsün, "Fan-tui kuan-liao chu-i, ming-ling chu-i", (Oppose bureaucratism, oppose commandism), in KPHHTL, No.10, July 1950, pp.115-1.
  12. Ibid., pp.119-120.
  13. Ibid., p.119.
  14. Ibid., p.118. Apparently different qualities of seed had been indiscriminately mixed and local authorities had failed to provide adequate storage facilities with the result that seedling germination was in places as low as 30 per cent.

Hsi also reviewed problems involving the co-ordination of different systems; for example, the United Front Work Department of the Northwest Bureau of the CCPCC had sent a representative to the Northwest Tax Bureau to gather information; however, the Bureau promptly returned the representative, claiming that he had put on affected airs and had engaged in disruptive criticism.<sup>15</sup>

Hsi had to insist on a proper division of labour, reminding ch'ü and hsiang governments as well as tax agencies that they did not have the powers of arrest, and he noted that the Sian municipal authorities had erroneously punished 800 business firms.<sup>16</sup> Hsi was very concerned that the cadres were forgetting the difference between the KMT and the CCP.

In a speech, urging the development of three seasons rectification, Jao Shu-shih covered the same main points.<sup>17</sup> Jao, too, was concerned that KMT-style bureaucratism was taking root under the "people's regime". He, too, commented on the suddenness of victory, the vastness of the "newly liberated areas", the complicated conditions prevailing therein, and the paucity of experienced cadres and the lack of education amongst the majority of new cadres.

Bureaucratism in the East China Food Company had disrupted the smooth functioning of the GAC Economic and Finance Committee's grain transfer policy. The East China Food Company had failed to alert the centre as to inadequate storage facilities in Shanghai, and the result was that the Shanghai authorities were deluged with grain, which they could not store properly. 140,000,000 catties of grain (out of a total of 460,000,000 catties) were ruined due to improper storage.<sup>18</sup>

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15. Hsi Chung-hsün, *Oppose bureaucratism, etc.*, op.cit., p.127.

16. Ibid., p.123.

17. Jao Shu-shih, "Chan-k'ai cheng-feng, cheng-tun kan-pu tso-feng", (Develop the rectification campaign, correct cadre work style), CFJP, August 22nd 1950, in HHYP, Vol.2, No.5, September 1950, pp.984-988.

18. Ibid., p.985.

Jao also criticized the harsh commandist tactics of the tax collectors and stressed the distinction between the CCP's principle, "That which is taken from the people is to be used for the people" (ch'u chih yü-min yung chih yü-min), and the KMT's principle, "That which is taken from the people, use for yourself" (ch'u chih yü-min, yung chih yü-chi).<sup>19</sup> Jao also repudiated the compulsory sale of victory bonds. He admonished cadres, reminding them of the difference between public security agencies of the KMT and the CCP. Indeed, the CCP's concepts of "bureaucratism" and "commandism" derived from the CCP's perception of the KMT's approach to government.

Jao Shu-shih vociferously took to task those cadres who "loafed" and were lax in investigation and study. He expounded on a more acute form of bureaucratism, characterized by a lack of centre in work and the failure to link up with the masses. Cadres failed to pay attention to regional differences. They failed to distinguish the primary from the secondary aspects of a problem. Higher level cadres were at fault for flooding lower levels with a deluge of documents. Cadres only reported good things and they failed to accept criticism in the spirit of democracy. When in May, the Hsin-wen jih-pao criticized the East China Department of Trade, the East China Miscellaneous Goods Company actively opposed the newspaper's criticism.

In 1950, the thorny problems of co-optation and retained personnel were put to one side as the Party concentrated on cadre education. The Three Seasons Campaign did not involve extensive disciplinary action against senior cadres and much of the rhetoric seemed to relate more closely to commandism at the lower levels. This distinction of commandism and bureaucratism, although it may have been consistent with the from-top-to-bottom development of the campaign, seems to conflict to a certain extent with the mass line; for example, the following editorial comment of September 6th 1950, implies different treatment for cadres at different levels of

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19. Ibid., p.987



administration in a way which perhaps contradicts an earlier egalitarian spirit, explicit in concepts such as the unity of officers and men:

"The various departments under the Central-South Bureau and CSMAC are different from administrative organs at the provincial, municipal and hsien levels. The difference is this: The cadres are relatively more centralized and there are more leadership cadres; moreover, there is not a direct relationship with the broad masses, but it is the various lower-level administrative organs and the cadres at those levels, who can have direct contact with the broad masses. The general responsibilities at the GAR level are to clarify conditions, grasp and work out policy and to guide policy implementation on a regionwide basis. It is these special characteristics which obviously distinguish the GAR and its cadres from lower level administrative organs and from cadres working at the lower levels. For this reason distinctions must be made in terms of the content, methods, steps and timing of rectification; there must of necessity be a distinction between higher and lower level administrative organs and between higher and lower level Party cadres."<sup>20</sup>

The idea of acting according to different conditions of work is quite acceptable in terms of Maoist organization, however, the emphasis on the differences between administrative levels is so great as to cast doubts on the applicability of a method whereby advanced, intermediate and backward elements would inter-relate in the process of cadre education.

The above contrasts with the actualities of the Three-Antis Campaign. This rectification cut deeply into the ranks of higher level as well as lower level cadres.<sup>21</sup> In fact, the three-antis

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20. "Tsai pu-t'ung pu-men chung cheng-feng yün-tung ying yu pu-t'ung ti nei-jung fang-fa ho pu-ch'ou", (Rectifications in different departments have different content, methods and steps), CCJP, September 6th 1950, in KPHHTL, No.18, October 1950.
  21. Sherwin Montell in his discussion of the Three-Antis Campaign alternatively suggests that it was not a "major purge". (The term "purge" does not really do justice to the concept of rectification!) Montell also suggests that the campaign did not affect important CCP personalities. Sherwin Montell, "The San-fan Wu-fan Movement in Communist China", Harvard Papers on China, Vol. VIII, pp.147-148. How important is "important"? Politbureau members were not exposed and investigated during the course of the campaign, but many first-grade cadres at the central, GAR and provincial levels were "purged".

rectification developed in a manner consistent with Mao's perspective on the inter-relation of advanced, intermediate and backward. In this rectification important government, GAR and provincial personnel were brought down. The express purpose of "tiger-hunting" at the higher levels was to provide the lower levels with models and the psychological incentive to "clean house" at their own levels. It was understood that resistance to rectification on the part of first-grade personnel had to be overcome before the movement could be successfully unfolded at lower levels, hence in North China, for example, "tiger-hunting" was combined with the re-examination of "medium" and "small" corrupt elements.<sup>22</sup> Furthermore, during the later stages of the campaign, activists were inducted into Party and state organization and new cadres were promoted on the basis of ability and virtue, as opposed to seniority.

During the campaign the CCP took the position that there was a broad social foundation, which encouraged the spread of corruption, waste and bureaucracy. This social foundation derived from (a) large numbers of retained personnel, present in the people's government, and (b) the effect of the entry into the cities on weak cadres. The Party finally moved into position to deal with the problems of co-optation and retained personnel. A Jen-min jih-pao editorial of November 23rd 1951, for example, commented on the problem of retained personnel:

"Although most have undergone reform and acquired the concept of serving the people after having ridden themselves of the corrupt style of work, yet many of them have not been thoroughly reformed or remained unchanged and have inherited much of the KMT reactionaries "bad behaviour".

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22. Refer to SCMP, No.307, April 1st 1952, p.15, from NCNA, Peking, March 25th 1952, for a detailed description of the three stages of development in the three-antis rectification carried out in top-level North China organization.

It was not, however, simply a question of the attitudes of retained personnel, but also a problem of the susceptibility of the CCP's cadres to the temptation of urban life. Ch'en Yi put it rather baldly:

"Just as some of our cadres confessed, after they entered the city, they have undergone a change in attitude towards the state of corruption and waste; while first abhorring it, gradually they got used to it and finally loved it."<sup>23</sup>

The earlier policy of magnanimous co-optation of KMT personnel was qualified with the repudiation of boundless magnanimity during the Suppression of Counter-Revolutionaries Campaign. There was further qualification in terms of registration; for example, the CSMAC's "Regulations for Registration of Personnel of Reactionary Parties and Corps, Secret Service Organizations and other Counter-Revolutionary Elements in the Central-South Region", required the registration of former members of the KMT's branch committees as well as chiefs of sub-groups and above of the San-Min Chu-I Youth Corps.<sup>24</sup> Ordinary members of "reactionary parties", who had previously worked in government agencies, schools and enterprises, also had to register.

Inner-Party jargon revealed the CCP's sense of priorities, for in the course of the suppression of counter-revolutionaries, the Party distinguished the nucleus (nei) from an inner (chung) and outer (wai) layers. Counter-revolutionaries in society at large (wai) had had to be eliminated, but first priority was given to "nei", meaning within the Party and second priority was given to "chung", indicating the army and state administrative organs.<sup>25</sup>

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23. See SCMP, No.267, February 3-4 1952, p.9, from Canton, NFJP, January 23rd 1952.
24. SCMP, No.158, August 21st 1951, pp.12-14, from Hankow, CCJP, August 13th 1951.
25. See part 4 of "Chung-kung chung-yang cheng-chih chü kuang-ta hui-i chüeh-i yao-tien", (Important points of the decisions of the enlarged session of the CCPCC Politbureau), February 18th 1951, in Mao Tse-tung, SW, Vol.V, Peking, 1977, p.35.

In the sphere of state administration the san-fan rectification focused on economic and financial departments. And one might note the underlying link which drew together the Three- and Five-Antis Campaigns and the Production Increase and Economy Campaign. Politically it was necessary to deal with the threat of counter-revolution from within. Economically it was necessary to establish efficient, rational and honest economic organization to facilitate the development of planning and the move towards large-scale capital construction. Effective economic accounting, for example, was essential to planning.

A Jen-min jih pao editorial of January 22nd 1952 noted that over the last three years various levels of economic administration and state enterprise had absorbed large numbers of working personnel. Many of these personnel, in fact, were unreformed businessmen, managers and functionaries of the old KMT bureaucracy. The dangers of corruption, waste and bureaucracy were high, as these departments had the closest relation to the national bourgeoisie.<sup>26</sup> The Jen-min jih-pao also discussed the problem in terms of state finance departments. While it was stressed that great efforts had been made in the struggle to unify financial work by state finance cadres, the problems of corruption, waste and bureaucracy were particularly serious in this sector of state activity. As the finance departments were at the heart of state administration, as these departments controlled the budgetary process, corruption in this sector would definitely affect the work of other departments.<sup>27</sup>

On January 9th 1952, Po I-po in his capacity as Chairman of the CPG's Economic Inspection Committee, reported on the development of

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26. "Chien-chüeh su-ch'ing tzu-chan chieh-chi tsai kuo-chia ching-chi chi-kuan chung ti p'o-huai huo-tung", (Steadfastly eliminate wrecking activities of the capitalist class in state economic organs), JMJP, January 22nd 1952, in HHYP, No.2, 1952, p.26.
  27. "Tsen-yang tsai ts'ai-cheng hsi-t'ung chung k'ai-chan fan t'an-wu fan lung-fei, fan kuan-liao chu-i yün-tung", (How to develop the anti-corruption, anti-waste, anti-bureaucratism movement in financial systems), JMJP, January 12th 1952, HHYP, No.2, 1952, p.25.

the campaign at the centre.<sup>28</sup> 1,670 cadres had thus far been exposed, including such senior personnel as the Director and a deputy director of the General Office of the Ministry of Public Security. The Director was exposed for the graft of 700 million yüan. A deputy director of the Health Bureau and the Minister of Railways were exposed for collusion in the sale of one hundred catties of morphine.

There were problems even in the vital sector of public security. In a report to Party cadres of the Ministry of Public Security and Peking Security and Peking Municipal Public Security Bureau, Lo Jui-ching informed his colleagues that large numbers of public security personnel and police retained from the KMT regime had continued in their old way of corruption. Lo urged a free mobilization of the masses to inform on public security personnel or police, who had extorted money, accepted bribes, forged accounts or enjoyed "strong man" shares in companies.<sup>29</sup>

The rectification was systematically developed in the top organs of the GAR governments. In East China, for example, GAR judicial and supervisory organs dealt with 615 cases of corruption, involving a total loss to the nation of ¥124,200,000,000. Jao Shu-shih reported on these cases to a meeting of 2,000 cadres from first-grade departments and bureaux of the ECMAC.<sup>30</sup> The majority of cases (i.e. 470) involved cadres in finance and economic departments. 256 of the 615 cases involved retained personnel, as compared to 133 newly recruited personnel and 226 old cadres. The large number of old cadres exposed to disciplinary action, does suggest that the CCP leadership was serious in its struggle to root out "meritism".<sup>31</sup>

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28. SCMP, No.255, January 15th 1952, pp.4-11, from NCNA, Peking, January 9th 1952.

29. See SCMP, No.247, January 3rd 1952, p.18, from NCNA, Peking, December 26th 1951.

30. SCMP, No.254, January 13-14 1952, pp.14-19, Shanghai, CFJP, December 30th 1951.

31. "Kung-ch'en" of course is rich in historical connotations. In imperial China outstanding generals or officials expected perquisites and privileges from the court for demonstrating merit. Veteran CCP cadres also anticipated the fruits of victory.

The rectification reached high-ranking GAR cadres. Again taking East China as an example, at an enlarged session of the ECB of the CCPCC on March 10th 1952, it was decided to relieve from all duties Li Chien-hua, Deputy Director of the ECMAC Department of Labour, Yün I-ch'un, Chief of the ECMAC Press and Publications Bureau and former editor of Chieh-fang jih-pao, Li Kuo-pin, former Assistant Secretary to the ECMAC Party Fraction and Chou Li-hsing, director of the Religious Affairs Office of the ECMAC Cultural and Educational Affairs Committee, etc.<sup>32</sup> Li Chien-hua had entered the Party in 1934, while Yün I-ch'un had registered in 1938. Presumably, Li Kuo-pin and Chou Li-hsing were post-liberation cadres. Li was characterized as a capitalist, who had failed to mend his ways, while Chou was said to have hailed from a landlord background.

Two celebrated cases, handled by the Central-South authorities, are reviewed below in order to gain perspective on the inner-workings of rectification. In reviewing these two cases, certain problems of conceptualization are kept immediately in mind. Of primary importance is the nature of resistance to rectification. Furthermore, it is important to consider what these cases reveal in terms of the structuring of the campaign, or to put it more simply, what was the relation between discipline and flexibility.

The Sung Ying case, which lasted over a lengthy period from September 1950 to February 1952, was a good example of the problem of "officials protecting officials". (kuan-kuan hsiang-hu). In this case, it would seem that Party and municipal government officials closed ranks in an effort to shield one of their peers from the rigours of Party discipline.

Action was precipitated when in September 1950, an anonymous letter implicating the Deputy Director of the Wuhan Health Bureau in a case of theft, was sent to Mao. Deputy Director Sung Ying was supported by Deputy Mayor Chou Chi-fang. Chou was not only a prominent member of the Party fraction of the Wuhan Municipal People's Government, but also the husband of Sung Ying.

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32. CRJP, March 20th 1952, in HHYP, No.4, 1952, p.56.

On October 18th 1950, the Wuhan Health Bureau attempted to trace the person who had written to Mao.<sup>33</sup> Mayor Wu Teh-feng allegedly stood by with his hands in his sleeves while the Deputy Director of the Wuhan Bureau of Public Security (and concurrently a deputy mayor), Hsieh Fan-chih not only acquiesced in the cover-up, but at one point arrested Sung Ying's accuser.

In May 1951, the Wuhan Party Committee under its first secretary, Chang P'ing-hua launched an investigation.<sup>34</sup> Chou Chih-fang allegedly slandered the letter as "libel" and "unlawful", hence Chou "suppressed" democracy.<sup>35</sup> Sung Ying allegedly made a back-handed self-criticism, in which she stressed her own "merit". On July 13th 1951, the Party fraction of the Wuhan Municipal People's Government officially informed the Wuhan Municipal Party Committee that Sung Ying had made a self-criticism, and advised that the matter be discreetly dropped. The recommendation was accepted and no disciplinary action was taken. However, the matter quickly assumed national importance in the context of the Three-Antis Campaign, and served as a model of a bad example.

On August 16th 1951, the Disciplinary Inspection Committee of the Central-South Bureau instructed the Wuhan Municipal Party Committee to take disciplinary action. Sung Ying had, in fact, made a second self-criticism, but the episode had reached a point in development where the issue of suppression of mass criticism, rather than theft became the main point of contention. Self-criticism was not enough, but the Wuhan Party Committee demurred.

On September 11th 1951, the case was highlighted in the "Party Life" column of the Jen-min jih-pao, and the implications

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- 33. See "Party Life" column of JMJP, September 11th 1951, in CB, No.138, November 20th 1951, p.7.
  - 34. See biographic entry under Chang P'ing-hua in Klein and Clark, A Biographic Dictionary of Chinese Communism, Vol.1, p.46.
  - 35. JMJP, September 11th 1951, CB, No.138, p.7.

of the improper investigation by the Wuhan Party authorities were stressed. On September 14th, the CSB censured the Wuhan Municipal Party Committee and demanded action within a week. On the same day the wider implications were treated in the "Party Life" column of the Chang-chiang jih-pao. Some cadres, even responsible cadres, it was claimed, had viewed the matter as "going too far", and had disliked open criticism in the newspapers, which they felt was not consistent with the dignity of meritorious Party cadres.<sup>36</sup> On October 9th, the Wuhan Party Committee passed a decision against the suppression of mass criticism and violation of Party discipline. In December, the first secretary of the Committee made a guarded self-criticism.

The case officially came to a close when it was reviewed at an extraordinary session of the CSMAC in February 1951. Chang was demoted to become deputy secretary of the Wuhan Municipal Party Committee under Secretary Li Hsien-nien. Hsieh Pang-chih, Chou Chi-fang and Wu Teh-feng were all dismissed from their posts. Chang P'ing-hua, Wu Teh-feng and Hsieh Pang-chih all made political come-backs later on. Chang recovered his equilibrium and in November 1954, he regained his former position as first secretary. Hsieh Pang-chih later went on to become ambassador to Bulgaria.<sup>37</sup>

The question of suppression or democracy did not figure as large in the Kiangsi case, but one notes the extent of resistance to higher-level investigation by Central-South authorities and the fact that high-ranking Kiangsi personnel in an effort to protect themselves forged accounts and attempted to pressure lower-level authorities to collaborate in the deception of the Central-South authorities. The case essentially involved fiscal discipline at the provincial and special district and hsien levels. On February 1st 1951, the Jen-min jih-pao brought pressure to bear for an investigation of the Kiangsi Civil Affairs Bureau. The Bureau had

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36. "Party Life", Hankow, CCJP, September 14th 1950, in CB, No.138, p.16.

37. Klein and Clark, Vol.1, p.46.



allegedly forged accounts and concealed large amounts of relief grain. The article further charged that the people behind the forgery were in "highest authority".<sup>38</sup>

In March 1951, the Central-South People's Supervisory Committee acting jointly with the CCPCC CSB Disciplinary Inspection Committee sent down investigators to Kiangsi to review the grain situation there. They found that many hsien organizations had misappropriated government grain for the establishment of "small family undertakings". Cadres had failed to report over-fulfilment of grain taxes and had concealed surplus grain. The investigation was concluded in April, and the Central-South People's Supervision Committee advised that the Kiangsi authorities conduct a more thorough examination and also recommended that no action be taken against the rank-and-file cadres, but that responsibility for the various breaches of financial discipline be traced.

On July 25th, the Central-South People's Supervision Committee posted the report and suggestions to the Kiangsi provincial authorities. The provincial government demurred. On September 13th, the CSMAC ordered the provincial authorities by telegram to report. Against the Kiangsi authorities demurred. In October, the General Office of the CSMAC called long distance to Kiangsi. The provincial government's vice-chairman answered and promised an investigation and a report. Similar promises had been made to the fourth session of the CSMAC.

The Kiangsi authorities, fearing an audit by the Central-South authorities, forged accounts to substantiate false figures of expenditure, and the provincial Civil Affairs Bureau allegedly sent cadres down to the Administrative Offices of Nan-chang, Fu-chow and Yuan-chow to insure the complicity of cadres in those areas in the falsification of accounts. Despite provincial reports to Mao

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38. For a complete account of this case refer to Hankow, CCJP, February 9th 1952, SCMP, No.287, March 4th 1952.

and the CSMAC, the Kiangsi authorities persisted in the attempted fiscal deception, and in June they invested the excess amounts of grain in local industry.

The showcase confessions of the provincial governor and deputy governor of Kiangsi, dwelt on the problems encountered when the Party had moved from the countryside to the city; for example, part of the confession read: "...in our minds still remained vestiges of the old outlook of scattered management in the period of isolated occupation of rural bases".<sup>39</sup>

There is a clear parallel between this case and the case of summer 1951, involving the continued collection of irregular tax imposts in Kwangtung province. Apparently, the Kiangsi authorities had also been caught in the crunch between budget cuts and pressure to expand local industry. The following excerpt, extracted from the confession of Kiangsi Provincial Chairman, Shao Shih-p'ing and Vice-Chairman Fan Shih-jen, seems to bear out this point:

"On the one hand, in view of the fact that the national expenditure for 1951 was to be cut, we were afraid that allowances for various projects might possibly be reduced. On the other hand, we were worried that notwithstanding the financial difficulties in this province, the necessary expenses for various projects must be met. We were thus given to that departmentalism which takes consideration only of individual interests and ignores total interests, and committed depraved acts by violating financial and economic discipline."<sup>40</sup>

These repentant provincial officers accepted responsibility for "depraved acts", but this acceptance should not obscure the fact that the problem originated in part with tension in the centre's policy. On the one hand there was great pressure to economize and reduce expenditure while on the other, the centre urged localities to relate general expediency and promote self-reliance projects. Obviously the Kiangsi authorities did not have sufficient resources to promote such projects and still honour fiscal commitments to the centre.

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39. SCMP, No.287, p.28.

40. SCMP, No.287, p.27.

One can make several generalizations on the basis of the details of these two cases. There was in each case resistance to criticism and rectification, but it is important to define that resistance correctly. Resistance is not taken to mean an explicit challenge to the integrity of the nation-state. Regional interests, of course, were involved, but these interests were not consciously articulated in contradistinction to national interests.

To a considerable extent the interpretation of resistance turns on the psychological aspect of rectification. Previously in the Three Seasons Campaign, the Party had found it difficult to initiate rectification based on self-criticism. Cadres did not all at once rush out and engage in self-criticism. Similarly, in the Three-Antis Campaign, there was reluctance to accept criticism. Some cadres even objected to newspaper coverage of Party rectification.

In terms of cadre work style there was often a failure to penetrate thoroughly and investigate fully, as cadres acted in a fashion consistent with the traditional Chinese pattern of "officials protecting officials". Resistance was not simply a matter of regional particularism, but was universal, thus the question arises as to how the Party was able to break down the psychological barriers to criticism and rectification.

In the above two cases, action was rather protracted. The Central-South authorities played out the action, only resorting to outright disciplinary action in the later stages of investigation. In a limited sense this can be interpreted as an emphasis on democracy. The Central-South authorities waited out local investigations. It was relatively late in the day that the CSMAC and CCPCC CSB "lowered the boom" on the culprit officials. Resistance was initially countered by press coverage and the initiation of investigations by the CSB's Disciplinary Inspection Committee and the CSMAC People's Supervisory Committee. The above

details would, however, suggest that the level of resistance related to the overall structural context; in other words, resistance was all that much greater as a result of a high degree of concurrent office-holding, which was particularly rife in a time of severe personnel shortage, and in a time when great importance was attached to the maximization of inter-system relations in a dual structure.

As for mass action, although there was mass mobilization, and the masses were reportedly free to make accusation, mass action was, nonetheless, carefully structured by the Party, and it was up to the Party to decide whether or not to make an issue out of any particular accusation. The initiative in terms of the actual investigatory process, for the most part rested with the Party's Disciplinary Inspection Committees and the People's Supervision Committees. The task of exposure, however, fell to the Economic Investigation Committees.

The East China Production Increase and Economy Committee, for example, mapped out the strategy for the exposure of bad elements in the top-level organs of the ECMAC. In the first stage of the campaign, from February 9-16th 1952, "six armies" were organized under the Committee's general command to conduct investigations and organized "shock brigades" for attack. In the second stage, the Committee regrouped its forces so as not only to attack "lone tigers in the hills", but also "groups of tigers in caves", hence the problems of "officials protecting officials" were obviously appreciated.<sup>41</sup>

First the investigations focused on the "big corrupt elements", and in the case of East China we have seen that rectification in top-level GAR organs culminated with the dismissal of several important party personages in the March 1st 1952 meeting of the ECB of the CCPCC. Once model cases had been dealt with at the GAR level, the campaign achieved greater momentum at the lower levels. As in

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41. SCMP, No.283, pp.7-8, from NCNA, Shanghai, February 21st 1952.

the case of agrarian reform, there was the attempt to gain experience at key-points, but agrarian reform experiments were first carried out at hsiang level in contrast to rectification, which worked the other way, from top to bottom.

Mao's 1943 emphasis on the inter-relation of general calls with specific guidance, was applied in the structuring of mass campaigns in the early 1950's, and here we may have hit on the reason why these campaigns appear to have developed in such a way that the activation of the mass line out-paced the formation of structure. Mass campaigns were often announced even before the centre had worked out the basic structural pattern and detailed regulations, governing the campaigns. This characteristic reflected the CCP's perspective on the unity of practice and theory. Temporary structure was thrown up in the course of each specific campaign in order to co-ordinate the popular organization of social forces with formal legal structure of Party and state systems. Hence, in the san-fan rectification, the detailed regulations governing the disposal of cases of corruption, waste and bureaucracy, were passed by the GAC on March 8th 1952, yet 1,670 personnel had already been exposed at the centre and model investigations of "tigers", or "big corrupt elements", in top-level organs at the GAR level had already been conducted.

During agrarian reform and the suppression of counter-revolutionaries, a backlog of cases had threatened to swamp the formal legal process of state administration. At that time the Party sponsored the proliferation of people's tribunals at lower levels so as to expedite the processing of the increasing number of cases relating to counter-revolution. A similar problem emerged in the final stage of san-fan. The GAC's March 8th regulations established a dead-line for the disposal of cases of waste, bureaucracy and minor corruption. Corruption cases were given first priority, but all other cases had to be disposed of by the appropriate tribunal before March 20th, the reason being that it was necessary to "...remove promptly the anxieties of the absolute majority

of minor corrupt elements....."<sup>42</sup> One strongly suspects that a full rectification rationally executed at the lower levels of administration was, in the early 1950's, beyond the CCP's organizational capabilities.

In agrarian reform the CCP had insisted on genuine "political integration", based on the conscious assimilation of ideology, but the time-tabling of the movement took on a life of its own and more "leaping" took place than was appropriate to local conditions. It is therefore not particularly surprising that the CCP at times resorted to storm tactics in the development of the san-fan rectification.

Dissatisfied with the progress of san-fan in the Northeast, Kao Kang served an ultimatum on higher-level cadres attending a Northeast Bureau conference in mid-January 1952. Kao made the usual distinction between advanced, intermediate and backward areas. He placed those areas where the movement had lost momentum due to inadequate mass mobilization and cadre confusion, in his second category. Cadres in charge of areas in the second category were summarily given two days upon returning to their posts to regenerate the campaign or face immediate dismissal. Those cadres who happened to be in charge of areas placed in Kao's third category, were magnanimously given five days, no doubt in consideration of the seriousness of the problems encountered in their areas, where the movement was at a complete standstill.<sup>43</sup> The CCP had a rational strategy for political integration; however, in the course of uniting theory and practice, psychological and political pressures militated against the rational implementation of strategy.

The mass campaigns were waged with the intent to strengthen leadership and organization. During the san-fan rectification, "small men" (hsiao jen), who defied the Party's revolutionary spirit and sought to expand their own "independent kingdoms", were identified and disciplined. Personnel policy was redefined in the course of the campaign to accord with Mao's emphasis on virtue and

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42. CB, No.168, March 26th 1952, p.7.

43. SCMP, No.270, February 7th 1952, pp.10-11, from JMJP, Peking, January 24th 1953.

ability as essential to the health of organization.

A leading Jen-min jih-pao editorial, "Boldly Promote the Cadres", admonished those cadres who sought to establish seniority as a criterion for promotion, and urged the active promotion of new cadres. The paper adopted the following position:

"As those organs and enterprises are actively engaged in restoring and establishing regular work and business they are confronted with the urgent problem of cadres [i.e. the many vacancies due to suspensions and dismissals during the rectification]. It is incumbent upon us to boldly promote activists discovered during the 3-Anti and 5-Anti campaigns to be cadres for the various fields, those of especially good quality and capable of becoming excellent cadres should be given special promotion irrespective of grades and ordinary practice."<sup>44</sup>

The editorial was critical of those who argued that old cadres were indispensable, as state organs had been upset, and that they were needed in "putting together the pieces again". The Jen-min jih-pao countered with the argument: "We must first remove the gangrene before healthy growth of flesh will be possible".<sup>45</sup> 374,500 cadres were promoted in the few months following the conclusion of the Three-Antis campaign.

But if the forces of counter-revolution were quelled, they were not eliminated. San-fan rectification had hit hard at official corruption, but the level of "bureaucratism" remained a cause for great concern, and in the following comment, An Tzu-wen stressed that the struggle against bureaucratism would go on for a long time to come:

"As far as concerns such forms of bureaucracy a lack of knowledge by the leaders of the difficulties experienced by the masses, lack of knowledge of local conditions, simultaneous assignments to the lower organizations of numerous tasks without checking on their fulfilment, these still exist. The san-fan movement was directed mainly against waste and

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44. Refer to "The Problems of Old Cadres, 1950-52", CB, No.180, May 10th 1952, p.25.

45. Ibid., p.25.

corruption. The struggle against bureaucracy demands a much longer period, since the bureaucracy that exists now in China has deep historical roots and a broad economic foundation, and cannot be eliminated at one blow."<sup>46</sup>

The development of the theme of the "sugar-coated bullet" presaged later theoretical development of the notion of the persistence of contradictions in the stage of transition to socialism.<sup>47</sup> An ominous note was struck in South China when T'ao Chu observed:

"In South China, bourgeois ideology is especially seriously reflected within the Party. There have of course been achievements in the struggle developed in the provinces and cities in April last [1952] against bureaucratism, against petty bourgeois ideology, and against the work style of the Kuomintang. The mass view point of the cadres has been strengthened, and there has been improvement in their work style. But due to the fact that ideological leadership level of the Sub-Bureau [i.e. South-China CCPCC Sub-Bureau] was not high and it failed in its examination and education of the cadres to raise to a high degree the principle of the reflections in the Party of the bourgeois ideology, there remains within the Party in South China, the universal reflection of that ideology, and the change brought about has not been great."<sup>48</sup>

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46. An Tzu-wen, "The Consolidation of Party Organization", People's China, No.13, July 1st 1953, pp.5-10.
47. Mao's new fifth volume reveals that one of the most prominent leaders of the Three-Antis and Five-Antis Campaigns, was brought down for a December 1952, proposal that the new tax structure be based on the principle, "equal treatment for public and private" (kung-tzu i-lu p'ing-teng). This principle resembles Mao's own principal, "benefit both public and private", but on August 12th 1953, Mao chose to emphasize that Po had been hit by the proverbial "sugar-bullet". Po's case was then regarded as being symptomatic of the trend on the part of the bourgeoisie to take up battle positions within the Party. Mao Tse-tung, "Fan-tui tang-nei ti tzu-chan chieh-chi ssu-hsiang", SW, Vol.V, Peking, 1977, p.90.
48. T'ao Chu, "The Tasks of Party Organization in South China During the State's Five Year Construction Plan", in SCMP, No.703, December 8th 1953, Supplement, pp.iv-xxv, here p.xx, from Canton, NFJP, October 31st 1953.



The Five-Antis Campaign against bribery, tax evasion, theft of state property, cheating in government contracts and theft of state economic intelligence, revolved on the same central thematic axis as the Three-Antis Campaign, namely, the influence of urban, KMT China on the revolutionary spirit, born of struggle in the countryside.

In his August 31st 1951, speech, which launched the Five-Antis Campaign in the Northeast, Kao Kang linked wayward cadres with "treacherous" merchants and reactionaries. In a second speech of January 24th 1952, entitled "Overcome the Corrosion of Bourgeois Ideology: Oppose the Rightist Trend in the Party", Kao attacked cadres for failing to understand that they must lead the peasants towards collectivism. He retorted: "On the contrary they [those unnamed cadres, inhibiting collectivism] consider it their responsibility, after economic conditions have improved, to lead the hired farm hands to the status of rich peasants...."<sup>49</sup> Not only did Kao see the rapid development of usury and speculative activity in the Northeast countryside, he saw the influence of urban China on the Party's revolutionary spirit, and he expressly linked the Three- and Five-Antis Campaigns.

Kao went on to describe the methods employed by the bourgeoisie in subverting the cadres. Firstly, the "capitalists" adopted the so-called "pull in" (la-kuo ch'ü) tact, whereby they would bribe cadres, especially those in economic and financial organs for favours. Secondly, the "capitalists" schemed to get their friends and relatives into key positions in state- and public-operated enterprises, and this was known as "sending in" (p'ai-chih lai).

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49. TPJP, January 21st 1952, and also in JMJP, January 24th 1953, in SCMP, No.270, February 7th 1952, p.7. "K'o-fu tzu-chan chieh-chi ssu-hsiang tui tang ti ch'in shih, fan-tui tang-nei ti yu-ch'ing ssu-hsiang", HHYP, February 1952, pp.12-16.

During the nationwide campaign, targets were distinguished on the basis of a fivefold categorization set out by the Mayor of Peking, Peng Chen, in March 1952. These five distinctions, "law-abiding", "basically law-abiding", "semi-law-breaking", "serious law-breaking" and "completely law-breaking" encompassed a sliding scale of culpability, which was to a large extent based on (a) the amount of money involved, and (b) Mao's principles of (i) leniency for past mistakes, severity for present and future mistakes, (ii) leniency for the majority and severity for the minority, (iii) leniency for industrialists, severity for merchants, (iv) leniency for ordinary merchants, severity for speculators.<sup>50</sup> These distinctions seemed to be related to a loosely defined definition of morality and to the necessities of "people's finance" rather than to "class", as determined by a relation to a particular mode of production.

Po I-po later estimated that 450,000 private firms in nine major cities had been investigated. 18,000 firms had fallen into the "seriously law-breaking" category, while another 4,500 had fallen into the fifth category of "completely law-breaking". In these last two categories, one might expect to find substantial evidence of corruption; however, the other categories, which included the overwhelming majority of firms investigated, are more problematical, especially as the fine line between the exchange of business courtesies and "corruption" was, at times, so fine as to be imperceptible.

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50. See Mao's March 23rd 1952, directive in SW, Vol.V, Peking, 1977, p.55. The reference here is to "Standards and Measures Set by Peking Municipal People's Government For Dealing with Industrial and Commercial Establishments Classified into Various Categories in the Five-Anti Movement", CB, No.168, March 26th 1952.

In January 1952, Kao Kang instructed that all cities were immediately to convene people's representative conferences to press forward with the movement for confessions, and at the conclusion of this campaign, federations of commerce and industry were to be responsible for the organizing of commercial and industrial circles by trade to sign and commit themselves to patriotic compacts. One might add parenthetically, that this is a good example of a mass campaign which, although waged in a relatively unstructured context, resulted in greater organizational consolidation and political control. In the final stage of the wu-fan movement, in April and May 1952, preparations were made at the national level for the creation of a Federation of Industry and Commerce.

While "wu-fan" was viewed as a counter-attack against an offensive by the bourgeoisie, it was not a movement calculated to destroy the bourgeoisie as a class in the way that agrarian reform had been prosecuted for the purpose of eliminating the landlord class in the countryside.

Apparently during the campaign, some cadres did misinterpret the basic intent of "restrict, utilize and reform" to mean the stamping out of the class ideology of the national bourgeoisie. This view was at times even expressed in the newspapers, but it was sharply repudiated by the Party.<sup>51</sup> The Party also warned its cadres

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51. For example, see Cheng Hui's article, "On the Question of Standards for Ideological Reform", which appeared in the August 1st 1952, issue of Hsueh-hsi. Cheng specifically criticized Fan Hsing-chih's article, "Refuting Absurd Speeches of the Bourgeois Class", which had appeared in CCJP, March 13th 1952. Fan had mistakenly advanced the view that the bourgeoisie were expected to remould their ideological system by means of Marxism-Leninism and the teaching of Mao Tse-tung. Cheng also criticized the March issue of Hsin-min wan-pao, (Shanghai), for suggesting that the bourgeoisie had to adopt working class attitudes and abandon profit-seeking altogether. Generally, Cheng argued that the Party's line towards the bourgeoisie, namely, "restriction, utilization and reform", was consistent with the precepts of the Common Programme, and that any talk of eliminating the class ideology of the bourgeoisie was premature and erroneous. Cheng's article is translated in SCMP, No.402, August 26th 1952, pp.24-27.

against the impossibility of using the qualifications for CCP membership as a yardstick with which to measure the ideological standards of government cadres generally.<sup>52</sup>

During the campaign, the economy inspection committee played the role of the agrarian reform committee as the operational headquarters, co-ordinating popular organization with formal state structure. Initially, the committees mobilized workers and shop assistants to make denunciations and thus furnish headquarters with relevant data. The committees then sponsored training classes to educate large numbers of workers and shop assistants, who were grouped into work corps. These work corps penetrated the shops and factories. Merchants and industrialists were crudely distinguished by the amounts of yüan which they had allegedly grafted. The trade unions, while important, did not figure as large in the development of the Five-Antis Campaign as did the peasant associations in the countryside, as the notation of "class" was soft-pedalled. As soon as the campaign was initiated in Shanghai, for example, the Shanghai Economic Inspection Committee raised the slogan, "No delay in both 5-Anti Campaign and Production", and during the first stages of the campaign, the committee insisted that normal production be maintained.<sup>53</sup>

In agrarian reform the Party had attempted to balance the need for order with the need to generate consciousness, hence fang-shou (bold mobilization) was stressed, but it was stressed in the context of proper leadership. In the Five-Antis Campaign the Party similarly stressed full mobilization with close control. In agrarian reform the coming together of political perspective,

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52. SCMP, No.402, p.27.

53. CB, No.201, August 12th 1952, p.23, from NCNA, Shanghai, June 7th 1952.

54. For example see comment on the campaign in Shanghai and Canton in CB, No.201, August 12th 1952, p.24, from NCNA, Shanghai, June 7th 1952, and p.28 from NFJP, June 28th 1952.

based on "political integration" as the conscious assimilation of ideology, with temporal limitations, imposed in accord with production necessities, no doubt encouraged premature "leaping from points to surface". After the crucial linking of points to surface in the first quarter of 1951 the CCP reverted to spring planting as the "centre of work", and the "Ten Policies"<sup>55</sup> were set forth in a bid to stimulate production. In the cities in the spring of 1952, the rigours of rectification were quickly followed by commercial and industrial readjustments to revive the depressed private economy. The CCP was particularly anxious to lure private commerce back into the countryside in order to alleviate the disruption of urban-rural trade interflow.

Teng Tzu-hui, in a summing-up to a higher level cadre conference, convened by the CSB of the CCPCC in late January 1952, noted that san-fan had had to be broadened into wu-fan in order to deal effectively with cadres hit by sugar bullets. While Teng affirmed that the CSB was not making the slightest change in policy towards the bourgeoisie, he was concerned to protect the interests of law-abiding industrialists and merchants. Teng outlined six points, relating to the treatment of cases, which had emerged in the five-antis struggle. There was to be no penalty for those who presented a small gift as a matter of general business practice, and those who had presented large sums of money and gifts were to be on condition that they make a thorough confession.<sup>56</sup>

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55. These points represent what Kao Kang would have referred to as "rightist deviation" in the countryside. While the "Ten Points" supported mutual aid, the main emphasis was on the encouragement of peasant initiative in production. The hiring of labour was allowed and perhaps even encouraged, as was the voluntary borrowing and lending of money. The peasant's freedom to market his native products was guaranteed, and the general principle of "Ye shall sow what ye reap" was upheld. For the ECMAC "Ten Points" of February 2nd 1951, refer to HTCCOTC, Vol.2, pp.11-1140. The CSMAC "Ten Points" of March 17th are essentially the same as those of the ECMAC, and are available in HHYP, Vol.3, No.6, April 1951, pp.1315-16.
56. SCMP, No.272, p.19, NCNA, Hankow, February 3rd 1952.

In March 1952, the GAC placed a moratorium on the development of the campaign in towns below the hsien level in order to protect spring sowing, and on June 13th, the GAC called for "sternness in struggle, magnanimity in the disposal of cases".

During the months of June and July 1952, when the movement entered its final stage, there was increasing emphasis on enlivening the economy and developing production. Such an emphasis was, of course, qualified as the leadership did not want to sabotage the political aims of the movement, and both cadres who approached the disposal of cases with too much magnanimity, as well as those who demonstrated too little sternness, were admonished. On the other hand, the June directive of the GAC, covering different questions arising during the conclusion of the campaign, heavily criticized leftist cadres for their reluctance to "rationally lower the relatively excessively computed amounts of industrialists' and merchants' ill-gotten income". The directive admitted:

"During the 5-anti campaign, owing to longer retro-active period, higher conversion rates, broader scope of computation, different standards used and other reasons, the computation of industrialists' and merchants' ill-gotten income in some cases has been too high and too broad."<sup>57</sup>

The policy of "restriction, utilization and reform", (i.e., of private capital) was no doubt motivated in part by a desire to bring the private economic sector more closely within the purview of state economic planning in preparation for the dawning of the new era of large-scale capital construction. Heavy fines, imposed on private enterprise during the campaign, were often met by the offer of shares to the government in lieu of payment of fines, so that many private enterprises emerged at the end of the campaign as joint public-private enterprises.

Generally the strategy of the key-point implied a qualified degree of decentralization, and indeed this strategy was the natural extension of Mao's idea of combining the general with the particular

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57. Translated in CB, No.201, August 12th 1952, pp.4-5.

in the total process of policy formulation and implementation. The mass line, furthermore, implies an emphasis on democracy as well as decentralization. In terms of agrarian reform, the mass line was activated within the context of a dual structure and the co-ordination of popular organization of social forces with formal legal structure.

The operational headquarters at the GAR level was fitted nicely into this general structural context. The GAR governments possessed a dual legal personality as (a) agent of the GAR, and (b) the highest local state authority, hence in theory and to a certain extent in practice, the structural emphases of this administration offered flexibility, which was appropriate in the prevailing context of tremendous regional differences in the pattern of political integration, yet at the same time was consistent with the need to insure "leadership" (ling-tao) over lower levels of administration; and this was particularly the case in instances where "free mobilization" (fang-shou) had to be balanced with proper leadership and also where the psychological barrier, or resistance to criticism in rectification, necessitated a stronger expression of vertical leadership.

In the course of the Three Seasons rectification, the Party related theory to the concrete practices and policies of agrarian reform and a large-scale training programme was initiated to raise the policy-level and political consciousness of the cadre population, but the weight of this campaign fell mainly at the hsien level, and a great many deviations and the widespread phenomenon of impurity of the ranks apparently marred the progress of agrarian reform under the cadres at the ch'u level.

Having wages agrarian reform, the Three- and Five-Antis Campaigns, the CCP was more confident to expand Party organization, and the June 1950 moratorium on recruitment in the "newly liberated areas" was lifted. After these campaigns, there was a greater concern to further localization. In the summer of 1952, the regional bureaux arranged for study programmes in their respective regions, and the directors of the Organization Departments of the several

bureaux met to map out a strategy for Party recruitment. Pressure was applied on hsien Party committees to create sub-hsien organization, capable of independent management.

Political integration is, of course, an ongoing concern, and hence it is difficult to judge the net effect of the campaigns under discussion in terms of political integration as the assimilation of ideology and in terms of the relation between the mass line and leadership. It is obvious that new organization was strengthened, but we cannot overestimate the problems of deviations, which occurred at the basic levels. Agrarian reform reinvestigation documentation in particular revealed the extent of error and deviation. T'ao Chu's lament, "...we have gone astray so much...", undoubtedly bears repeating. One must ask whether a "preliminary understanding" of policy was adequate to the circumstances of the "newly liberated areas". Given the tremendous problems of administrative distance, it was only too easy to "leap" and disrupt the timed relation between "basic" and "outlying villages". One might also consider the efficacy of the short-course training, which was vital to the application of the mass line.<sup>58</sup>

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58. On occasion the CCP has itself stressed that "shock" education was not enough to consolidate basic-level organization. The following comment in a NCB directive of December 1953 draws out this point particularly well: "However this kind of education [ i.e. short-course training in campaigns ] is only good for the purpose of making shock attacks. If not followed up with regular education, the achievement it brings cannot be consolidated and made to last. ...During the winter of 1951 when North China carried out localized Party reorganization, many places relaxed their regular education of Party branch members. As a result problems occurred again only a few months after reorganization...." See SCMP, No.710, December 17th 1953, pp.19-21, from NCNA, Peking, December 3rd 1953. The programme launched in May 1952, to build up hsiang Party branches, encountered many problems and these have been dealt with in a highly subjective, but nonetheless, interesting fashion by Fang Shu, who has brought together a great deal of the newspaper comment on these problems. Fang Shu, Campaign of Party-Expansion of the Chinese Communist Party in 1952, (Communist China Problem Research Series, Hong Kong, 1953).



The level of political integration achieved must be judged in relative rather than absolute terms. Firm basic level organization had yet to be achieved, but relative to the situation of October 1st 1949, the CCP had marched a long way. The vast "newly liberated areas" were consolidated and the Party was preparing to enter the new era of capital construction. And something of great historical import was achieved — a nation-state was created in the Middle Kingdom.

## VI

CONCLUSION

The pattern of national political integration was characterized by the transposition of a philosophy of administration, which had emerged as a response to conditions of political disintegration in the late Kiangsi and Yen-an periods to the plane of national political development. Central to this philosophy was a dialectic of aspects of flexibility and discipline. This dialectic influenced the structuring and functioning of all Communist systems of organization. It was manifest in the notion of "unified Party leadership". The structuring of military organization was based on the principle, "centralized strategic command and decentralized command in campaigns and battles". Furthermore, the dialectical inter-relation of "centralized leadership" and "decentralized management" was explicit in the economic organization of the Yen-an period.

This philosophy was inclusive of explicit emphases on (a) the inter-relation of horizontal and vertical components of organization, and (b) a division of labour between general systems of army, Party and state. Under "unified Party leadership", there was not only an emphasis on the unity of command, but also an emphasis on the horizontal co-ordination of these systems. This co-ordination was furthermore consistent with the mass line, which encompassed a structural inter-relation between formal organization and the popular organization of social forces.

"Unified Party leadership" meant the primacy of the Party, but it also incorporated a division of labour. In 1942, "unified Party leadership" was stressed in reaction to the earlier separation of Party and state during the first stage of the second united front. Under the new circumstances of 1941-42 border region contraction, there was a greater emphasis on mutual inter-relation (and not the mutual integration) of systems.

In the early 1940's, Mao argued that the dispersion of natural resources and the difficulties of border region communications in a time of guerilla warfare necessitated a decentralized response to problems of disintegration. In particular, Mao emphasized "decentralized management" in relation to small industrial enterprise. Mao also urged that agriculture be based on "adopt different methods according to different regions". Decentralization was consistent with the emphasis on self-reliance and was explicit in both the mass line and united front. Mass mobilization was organized in a decentralized context. In structural terms, the total sum of these emphases was "dual rule", based on a dialectic of aspects of flexibility and discipline.

This sum was explicit in the organic and constitutional arrangements of 1949. These arrangements highlighted a division of labour, based on inter-system co-ordination; these arrangements did not reflect a vertical conception of organization, based on the discrete separation of government functions as well as the discrete separation of general systems. One must take into account the organizational emphases of the early 1940's in relation to the CCP's understanding of "one-man management" in the early 1950's. As the mass line was progressively related to production in the Northeast, these emphases were reasserted. In the context of the Factory 53 emulation campaign, for example, the relation between Party and state in enterprise was described in terms of a division of labour within the over-all context "unified Party leadership".

An appreciation of Maoist epistemology is crucial to our understanding of the transposition of border region experience to the plane of nationwide political integration. A trilateral inter-relation was explicit in the CCP's epistemological emphasis on the unity of theory and practice. This inter-relation was explicit in the combining of general calls with specific guidance. The CCP's approach to administrative demarcation also reflected this inter-relation. In large geographical terms, there was the calculated

inter-relation of "old", "semi-old" and "newly liberated areas". This kind of geographical inter-relation later assumed significance in terms of the CCP's approach to economic development. The demarcation of "co-ordinated economic regions" was not a division based on the absolutes of natural economy; it reflected the concern to inter-relate advanced, intermediate and backward economies. It was the same perspective which on another level sustained the inter-relation of large, medium and small enterprise.

At the heart of these trilateral inter-relations was the epistemology, explicit in the mass line. Activists were to be inter-related with intermediate and backward elements, not only in the course of rectification, but in the combining of general calls with specific guidance in all work. The structuring of mass campaigns reflected an attempt to strengthen organization through the union of theory and practice. This union was fundamental to the processes of cadre training and education. In agrarian reform, for example, one sees the inter-relation in terms of the momentum of the campaign as advanced elements "pulled" forward backward elements. Backward "outlying villages" were caught up in the momentum of "base villages". The same trilateral inter-relation has persisted in the mass campaigns of the 1950's and 1960's, thus in the Great Leap Forward there was the "three-in-one" (san-chieh ho) combination, which brought together in an education experience leading cadres, experts and the masses. This was to be the key to the technological revolution in China. Similarly in the Cultural Revolution the "three-in-one" combination assumed a new connotation as veteran Party cadres were inter-related with representatives of revolutionary mass organization and the representatives of the PLA in the process of consolidating political organization. The constituent elements changed over the years, but the strategic inter-relation of advanced, intermediate and backward remained constant. This inter-relation was essential to the education experience explicit in the process of political integration, and it was also essential to the induction of activists and the recruiting of virtue and talent necessary to Party life and the health of organization.

The transposition of experience from the 1940's to the 1950's is particularly relevant to our discussion of the pattern of national political integration and the role played by the Greater Administrative Region therein. The early 1950's cannot be case in exclusive terms of the emulation of the "Soviet Model(s)".<sup>1</sup> There is a tendency in Western historiography to skip the development of organization in the period of economic restoration. It should be stressed that it took years to assimilate the "Soviet model" and then again this assimilation reflected earlier organizational concerns. In the early 1950's Stalin was cited in defence of decentralization! The experience of the 1940's was not simply erased from the consciousness of the Chinese leadership.

The philosophy of administration, which we have discussed, was reflected throughout the government structure of the early 1950's. The importance of combining "national unity" and "local expediency" was underlined in the Common Programme. Government structure revealed an emphasis on inter-system co-ordination through committee structures. Earlier perspective on the importance of this co-ordination was not abandoned in favour of the creation of discrete vertical systems. And the relation of ling-tao to chih-tao was consistent with this perspective on the importance of committee structures.

In the early 1950's the style of government was government by conference. The conference system represented a practical manifestation of the education process and leadership method, explicit in the mass line. The creation of a three-tiered conference system to promote the interflow of urban-rural trade, for example, was consistent

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1. Franz Schurmann has argued that the early 1950's were characterized by a high degree of centralization and emulation of the "Soviet model"; for example, he has written: "The Chinese Communists entered the cities not knowing how they would govern, beyond the conviction that it had to be through total organization. Their initial effort was to introduce the apparatus of Soviet-type organization into China". See p.14 of Professor Schurmann's Ideology and Organization in Communist China, 2nd edition, and for further comment refer to pp. 166, 213 and 300.

with mass line emphases. Through this conference system a forum was established, facilitating the inter-relation of private commerce, supply and marketing co-operatives, and state trading organization. It was hoped that cadres would gain knowledge of local market conditions and that there would be a maximization of "local expediency" within the conference context.

While the articulated strategy for political integration reflected a dialectic of flexibility and discipline, the actual realities of the union of theory and practice did not always sustain this dialectic. The pattern of centralization differed in different temporal and spatial settings. In 1950 fiscal centralization violated "local expediency", and there was even an attempt to establish vertically discrete economic systems at the expense of "unified Party leadership". This attempt, however, was heavily criticized and did not reflect a general pattern. In the sphere of trade interflow, we have noted that while GAR leadership emphasized united front postures and mass line techniques within the conference system, there was an undeclared tendency on the part of state trading organization towards over-centralization and away from "local expediency". The structure of government was, nonetheless, "dual" and the policy was "centralized leadership and divided responsibilities". However, in actual practice one can detect competing organizational emphases.

The policies of 1951-52 particularly represent an expression of the philosophy of administration which had emerged in the border regions of North China. The GAC decisions of March 29th and May 4th 1951, were based on Chou En-lai's principle, "centralized leadership and divided responsibilities". As we have seen, Chou engineered a decentralization of economic and financial work in 1951. Greater tax-sharing between centre and regions was one of the results. The thrust of the strategy of 1951 was to maximize "local expediency" while the centre concentrated its resources on above-norm projects, which mainly involved new heavy industrial construction, financed by Russian credits. This strategy reflected an earlier division of labour, explicit in Mao's discussion of large and small industrial enterprise in "Economic and Financial Problems".

The March 30th decision on municipal finance called upon the municipalities to move away from a preoccupation with defraying expenditure towards construction finance, based on local resources. The 1951 decisions also called for greater political control at the regional level. The call went out to "face the villages" and the four points, relating to capital construction in 1951, anticipated the inter-relation of large, medium and small, explicit in the industrial strategy of the Great Leap Forward. Self-reliance assumed special significance in relation to financial policy. There was renewed emphasis on "from economics to finance" in reaction to the over-centralization of 1950. The slogan, "crack troops and simple administration" was exploited in a campaign to increase production. "Production on all fronts" re-emphasized policies which had been worked out in relation to the development of new democracy in the 1940's, and the relation of the mass line to production became explicit in the slogan, "better, faster and more economical".

In 1951, centralized government, as it was understood by the CCP leadership, was government which incorporated an earlier dialectic of aspects of flexibility and discipline. This dialectic was manifest in a strategy which freed the centre to concentrate on over-all arrangements, but which at the same time furthered the capitalization of "local expediency". A division of labour was believed necessary to the centre's ability to formulate general policy, and top-heavy central government was believed inconsistent with centralization.

The GARs played a significant role in the pattern of national political integration in the early 1950's. This administrative level facilitated a centralized uniformity of policy implementation, but also acted in terms of the dialectic of flexibility and discipline. The structure and functioning of this level was greatly affected by the historical inter-relation of armed struggle with social revolution, the creation of a democratic representative structure and economic

reconstruction.<sup>2</sup> The differences in the inter-relation of these processes in the different regions of China highlighted the importance of flexibility and "working in accordance with different conditions".

To a great extent the inter-relation between armed struggle and social revolution had been achieved in the "old liberated areas" of North and Northeast China. In the Northeast in 1949 a new "centre of work" was already an established reality, and the unified planning of capital construction was initiated on a regionwide basis. In the Central-South, East China, Northwest and Southwest China, GAR authorities focused on mopping-up operations, the re-establishment of social order, the elimination of "so-called guerilla warfare", the localization of PLA units under unified leadership, and rent reduction and deposit refund, which acted as the basis for local social welfare. The inter-relation of the various programmes for political integration had yet to be achieved in the "newly liberated areas" south of the Yangtze. In a retrospective comment on the early 1950's Chou Fang explained the CCP's strategy for political integration: "...we created state organs at the level of the Greater Administrative Region in order to facilitate centralized, unified leadership and by meeting local circumstances, we made headway in our work..."<sup>3</sup>

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2. It must be stressed that this inter-relation was fundamental to the nature of GAR government. The MACs were not military **organizations!** Elite theory, as it is often misapplied to the Chinese political system, tends to disregard the history of Communist organization in order to speculate on power struggles between the CCP and the PLA. Parris Chang's statement that in 1954 the "military administrators in the provinces" handed over their responsibilities and "returned to the barracks" is incorrect. See Parris Chang, "The Decentralization of Power", Problems of Communism, July-August 1972, Vol.21, No.4, p.71.
  3. Chou Fang, Wo-kuo kuo-chia chi-kou, (China's state structure), p.81.



The inter-relation of factors of flexibility and discipline in the functioning of the GAR administration varied temporally and spatially. Although the structure of this level was "dual" and although its constitutional persona as an agency of the GAC and the highest local state power was dualistic, in 1950 the horizontal aspect of this administration was not particularly conspicuous in the unification of economic and financial work. "Local expediency" in terms of investment in local self-reliance projects, and in terms of the marketing of local produce was the casualty of a rigid imposition of fiscal discipline on the localities. The precipitous draining of local resources in the service of the financing of the centre's budgetary deficits and the strict policy of currency recall did nothing to further the principle of "from economics to finance". But the GAR authorities did perform valuable services in rectifying "prosperity on all fronts" and in the rationalization of local tax structures.

This over-centralization of 1950 must be placed in perspective, for the integrity of the new national government was at stake. The budget had to be balanced for obvious political and economic reasons. The centre had to create a firm budgetary system in order to eliminate "ko tzu-wei cheng" (semi-autonomous government by various levels). Once the centre had established a national fiscal super-structure, which insured the centre's ability to finance co-optation and more importantly insured the centre's ability to manage the national economy, the CCP leadership opted for a programme of decentralization.

This programme involved the devolution of considerable responsibility for economic planning to the GAR level, and this devolution was rationalized as follows:

"...due to the unbalanced development of the local economy in different areas, due to the differences in the time of liberation and enforcement of democratic reforms in different areas, uniform measures could not be applied all over the country, and the Central People's Government accordingly authorized the leadership organs of the administrative regions to attend to the task of restoration and the development of the economy in keeping with local

conditions, and in fixing priority and attaching greater importance to such issues as considered proper."<sup>4</sup>

Thus the GARs assumed planning responsibilities for some of the category "B" capital construction projects and most of category "C" and "D" projects. In the November 1952, reorganization of state administration, the Peking ministries asserted a greater degree of vertical control over GAR economic departments, involved in capital construction and planning, but in 1953 the GAR level, nonetheless, continued to play a role in terms of the registration, training and unified distribution of manpower in capital construction. Furthermore, GAR departments had attempted to rationalize the planning of local industry so as to improve relations between local state industry and centrally-directed state industry. In rationalizing the unified distribution of technical personnel in 1952-53, GAR committees acted against inter-departmental warfare over the disposition of such personnel.

In terms of the efficacy of planning, it is not surprising that the planning authorities at the CPG and GAR levels often fell considerably short of their targets. The timed staging of inter-level planning often broke down, and planning often lost its guiding role to become an after-the-fact collation of statistics. However, a degree of financial control was achieved as both central and GAR authorities contended with deviations such as "asking for more money to do more projects". And the fact that a rudimentary division of labour between centre and regions was achieved on the basis of self-reliance, was an accomplishment in itself.

The functioning and structure of supraprovincial organization in the early 1950's revealed a continuing perspective on the mass line and the attempt to combine general calls with specific guidance. For, example, this perspective was explicit in the strategy of "from points to surface", which characterized the development of agrarian

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4. JMJP, November 17th 1952, in SCMP, No.455, November 19th 1952, p.3.

reform in East China and Central-South China in the winter of 1950. GAR leaders articulated a building-block method of leadership, whereby experience was gained at selected key-points, summarized and then applied extensively. Hence Jao Shu-shih described the development of agrarian reform in the following way: "Each step in land reform is the integration of previous experience in reform experiments with local conditions".<sup>5</sup>

Despite well-laid plans of GAR agrarian reform authorities, indiscriminate "leaping" took place, and the balance between social control and mobilization was not always maintained. Preparations and training had to be squeezed into the cycle of production, and this, in itself, militated against a strategy in which each step taken was to be based on the "integration of previous experience". The ability to implement policy was limited due to chronic problems of administrative distance. In East China, where there was a larger "leading factor" and where there was a greater availability of leadership facilities, the Party was better able to conduct bold mobilization within proper leadership. Undoubtedly, the renewed emphasis in November 1950, on class struggle and the developing Chinese involvement in Korea, contributed to a psychological climate which affected cadre performance and encouraged premature "leaping". But supraprovincial leadership was particularly necessary in agrarian reform in terms of the assertion of proper leadership in the implementation of a strategy relating "points to surface". The centre was too far away from the basic levels to react to concrete local conditions, and provincial leadership was weak. If it had not been for GAR agrarian reform authorities, there most likely would have been chaos, let alone premature "leaping".

Of particular relevance to any discussion of the role of the GARs in the pattern of national political integration is a consideration of the significance of "regionalism" at the GAR level. William Whitson's field army hypothesis suggests a new form of warlordism in terms of

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5. Jao Shu-shih, "Experiences in East China Land Reform Experiments Summed Up", in SCMP, No.39, December 29-31st 1951, p.43.

the balancing of power relations between several field army elites in post-1949 China. Furthermore, some observation has been made, attributing great significance to the charge of "independent kingdomism" in the Kao-Jao Affair. Franz Schurmann has suggested that there are close parallels between post-1949 and pre-1949 centre-region relations, and he has noted: "Power groups continue to develop in regional governments with regional loyalties stronger than their commitment to Peking".<sup>6</sup>

The charge of "independent kingdomism" in the case of Kao Kang assumes significance in terms of Kao's relation to Mao. This charge has been applied almost gratuitously to Liu Shao-ch'i and Lin Piao, as well as to Kao. There is obviously reason to doubt the objectivity of post-purge rationalizations, and certainly one cannot construct a theory of centre-region relations based on the use of an epithet.

Did Kao further a Northeast political identity? Did he favour the interest of the Northeast at the expense of national interests? If he did, there is nothing in the March 1955, speeches and denunciations which provides us with concrete details of such activity. The mainspring of action in the affair was Kao's circulation of a secret list of Politbureau membership without Mao's knowledge. Thus Kao was exposed for having entered into an "anti-Party alliance", and for having engaged in unprincipled struggle, subversive of Party life and collective leadership.

The top GAR leadership was part of the "centre". In 1946 there was a federalization of the executive as the CCPCC sent part of its senior membership to the Northeast. The same federalization occurred in 1949 in terms of the top leadership of other GARs.<sup>7</sup> The Kao-Jao

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6. Franz Schurmann, op.cit., p.214.

7. Dorothy Solinger has recently described GAR leaders as "political middlemen" in her study of administration, Regional Government and Political Integration in Southwest China 1949-1954, pp.137-138. This description would seem more appropriate in the case of second-rank MAC leaders, who acted as department heads or ordinary committee members. As for the top leadership, all of whom were senior members of the Central Committee, these leaders held down important posts at the centre, and they were "national" figures before they were assigned duties in the several GARs.

Affair is, thus, described in terms of an intra-centre as opposed to a centre-vs-region conflict. It was a problem at the Polit-bureau level, and the post-purge allegations that the NEB Disciplinary Inspection Committee had failed to make investigations of Kao's "anti-Party" activities, therefore seem largely gratuitous.

The debate among elite theorists as to the nature of power relations in China will no doubt continue, but there would seem to be some justification to assert in the context of this debate the basic viability of the Chinese political system in order to counter-balance an understanding of the post-1949 context, based on perceptions of the nature of pre-1949 warlord politics. The centre vis-à-vis the regions has demonstrated an ability to transfer personnel, to rectify and dismiss personnel, and to experiment with kinds and degrees of decentralization. Contrary to expectations in some quarters, the Chinese political system has not disintegrated. On the contrary, this political system has demonstrated a remarkable capacity to withstand rapid institutional change!

In other political systems "lobbying" (defined in terms of the application of pressure by "regional" officials on the "centre" for "regional" development) is considered as a healthy instance of democracy, whereas in China it is seen as indicative of systemic weakness and as a sign of imminent political disintegration. But even in China, the development of a regional resource is not necessarily seen as being inimical to national economic development. One cannot, therefore, assume that Li Fu-ch'un, when he called in 1950 for the development of Northeast industry, was acting to further a regional interest as opposed to a national interest. Nor can it be assumed that Peng Teh-huai argued for greater investment in the Northwestern economy because he wanted to create an "independent kingdom".

Undoubtedly there have been occasions when the part has acted in a fashion inconsistent with the interests of the whole, but the problem lies in the interpretation of this inconsistency. Were regional interests perceived as being incompatible with national interests? Were "regional" loyalties asserted in opposition to

"commitments" to Peking? The source of inconsistency might well lie in part with the centre itself in terms of policy contradictions, as was the case in Kiangsi, when the emphasis on strict budgetary unification conflicted with emphases on self-reliance and "economics through finance". Such inconsistency might not demonstrate so much the formation of a regional vested interest, as a problem at the centre in terms of internal policy contradictions, or even in terms of a failure on the part of central authorities to assert leadership. In the Great Leap Forward, for example, problems in the localities were exacerbated to a great degree by the collapse of the central planning authority.

The pattern of national political in China has been profoundly affected by a continuity in the CCP's perspectives on government communications. In 1951, in the course of explaining the rationality sustaining Chou En-lai's "centralized leadership and divided responsibilities", the Jen-min jih-pao asked somewhat rhetorically:

"In such a vast country like China where state enterprises are scattered, how can the Central Government finance and economic departments know everything about the ideological state, political understanding, working conditions, labour attitude of each personnel of an enterprise?"<sup>8</sup>

The centre could not know; there really had to be a decentralization in order to further centralization. The emphasis of 1951 was not as clear in 1954. In 1950, "direct leadership by specialized systems" had been rejected, but in 1954, the GARs were abolished to make way for a new centralization, and such "direct leadership" received a certain degree of official sponsorship. During the September 1956 session of the Eighth Party Congress, there was a reaction to the over-centralization of 1954-55.

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8. "3-Grade Government Financial System Instituted by the GAC to Consolidate Centralization of Finance", SCMP No.91, p.18 (from JMJP, Peking, April 5th 1951).

In April 1956, Mao had lectured on the importance of local initiative. He argued that in order to strengthen the centre's "unified leadership" it was necessary to enlarge the powers of the local authorities.<sup>9</sup> In his proposals to the Eighth Party Congress on September 16th, Chou En-lai repeated his 1951 argument:

"As the local authorities are in closer contact with the primary units of enterprises and public institutions and with the masses, and enjoy greater facilities to understand the actual conditions they will as their jurisdiction is extended, be able to organize effectively all local forces and positive factors for social construction."<sup>10</sup>

The emphasis was once again on the mobilization of all positive factors. Chou then advocated "centralized leadership and administration by the various levels in accordance with local expediency and the nature of work" (t'ung-i ling-tao, fen-chi kuan-li, yin-ti chih-i, yin-shih chih-i). He emphasized co-ordination at the centre in relation to the localities, hence plans and financial targets were to be issued in a unified way by State Council and not by the separate ministries. After the the principle of "from economics to finance", Chou En-lai stressed that finance policy must insure economic development. During the Great Leap Forward slogan of the early 1950's "faster, better and more economical" became "greater, faster, better and more economical". It was in this context that certain aspects of GAR administration re-emerged. In particular the demarcation of the seven "co-ordinated economic regions" closely paralleled the 1949-54 demarcation of the GARs.

In this later period old themes of "unified Party leadership", "local expediency", "dual leadership", etc., were even more clearly articulated, but there was a much greater problem in terms of the unity of theory and practice. The tenets, explicit in "unified Party

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9. Mao Tse-tung, "On the Ten Major Relationships", April 25th 1956, Peking Review, January 1st 1977, Vol.20, No.1, p.16.
  10. Chou En-lai, "Report on the Proposals for the Second Five Year Plan for Development of the National Economy", September 16th 1956, in People's China, Supplement No.21, November 1st 1956, p.21.

leadership" were more honoured in the breach as the provincial Party committees over-centralized in relation to the state. In the very act of calling for the further expression of the mass line in the linking of general calls with specific guidance, local Party committees destroyed the unity of theory and practice. Self-reliance was vigorously misapplied. In "Economic and Financial Problems", Mao had advocated "act according to local conditions and seasons". He urged deep ploughing only where local conditions were appropriate. The same theme was reasserted in 1951 and 1956, but in 1958 the Commune Party Committees forced deep ploughing in thin top soil, thus to insure the "8-Point Charter" and crop failure. Communes in well forested areas focused on rice production despite climatic disadvantages. Calls for the construction of iron-smelting plants were heard in areas where there were no iron deposits. In short, the great leap became the great paradox! The psychological pressure to "leap" was so great and the application of "unified Party Leadership" so rigid that local levels ignored their own specific conditions, violating their own natural economies.

One might note by way of comparison that the dialectic of flexibility and discipline was perhaps more of a success in 1951 than in 1958 due to the existence of an intermediate structure, which linked the centre with the provinces. In 1958, the distance between centre and the provinces was too great, and the emphases of the mass line did not withstand the buildup of political pressure and "subjectivism" (or perhaps psychological anxiety), which led to "leaping". During the Great Leap, the centre failed to "lead", and there was a greater decentralization under less controlled conditions, which resulted in a misguided over-centralization on the part of provincial and local Party committees.

At Lushan in 1959, the leadership had to face the painful task of summing up. Indeed, there was much soul-searching and wringing of hands in self-criticism. Peng Teh-huai was particularly forthcoming, and in the context of his subsequent purge, it was claimed that he had seen the Great Leap Fowards as a total failure as opposed



to a "partial" failure. In his "Letter of Opinion", which was to become "a rare textbook of negative example", Peng revealed that the centre had been carried away by "subjectivist" enthusiasm in the course of "leaping". He observed:

"Our minds swayed by the idea of taking the lead, we forgot the mass line and the style of seeking truth from facts, which the Party had formed over a long time. So far as our method of thinking was concerned we often confused strategic planning with concrete measures, the long-term policies with immediate steps, the whole with the part and the big with the small collective."<sup>11</sup>

Mao in his turn accepted Peng's self-characterization as a "rough fellow", but he absolved K'o Ch'ing-shih of blame and personally accepted responsibility for the setting of impossibly high targets for the smelting of iron. It was one of the ironies of history that a man who had spent most of his revolutionary career arguing the importance of personal study of concrete conditions, should have violated his own basic and deeply held principle.

Mao was not too hard on local organization. He noted: "The local organs can be forgiven if for a time they did not concern themselves with planning...", but he could find no excuse for the central planning authorities, who had had ten years experience.<sup>12</sup> While Mao agreed that there was some truth in the criticism of the head of the State Planning Commission, (Li Fu-ch'un) to the effect: "His foot wants to move, but he hesitates...", Mao was prepared to admit that it was not good to be like the legendary hot-head, Li K'uei. In terms of a mass campaign there had to be a balance between mobilization and leadership. Furthermore, there had to be leadership in terms of unified planning, particularly in relation to the co-ordination of different aspects of an industrial system such as resource exploitation, transportation, production and consumption.

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11. Peng Teh-huai, "Letter of Opinion", July 14th 1959, in URI, The Case of Peng Teh-huai 1959-1968, p.11.

12. Mao Tse-tung, "Speech at the Lushan Conference", July 23rd 1959, in Stuart Schram, etc., Mao Tse-tung Unrehearsed, p.142.

At Lushan everybody agreed that in 1958 there had been no plans for the achieving of balances between these different aspects, and the wisdom explicit in the following March 20th 1958, statement by Mao became apparent to one and all:

"If everyone is trying to surpass everyone else, the country may be thrown into confusion [kao-te t'ien-hsia ta luan] as a result. ...Every province should not follow the same wind, as though when they say it can be done in one year in Honan, everyone should do it in one year...."<sup>13</sup>

In the course of the campaign the psychology of "leaping" had militated against the carefully timed inter-relation of advanced, intermediate and backward.

In the context of the aftermath of the Great Leap, the "co-ordinated economic region" also came in for criticism in terms of the "subjectivism", which had infected leadership at both the centre and the local levels. In reaction to the collapse of central planning and the failure to balance comprehensively the different aspects of state enterprise, there was in 1959 a renewed emphasis on the uneven development of the economy and hence on the need to assert leadership in the determination of a system of priorities. During the Leap the division of labour, whereby the centre concentrated its resources on selected key industrial projects, while localities seconded the centre's efforts by developing local self-reliance projects, broke down. The State Planning Committee lost its initiative to co-ordinate over-all arrangements. In this context Ch'en Yün criticized that national economic development must come first. He argued that self-reliance cannot be taken at the expense of co-ordination, and it was his view that a complex industrial system could not be built exclusively on a regional basis.<sup>14</sup>

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13. Mao Tse-tung, "Talks at the Chengtu Conference", March 20th 1958, in Stuart Schram, ed., Mao Tse-tung Unrehearsed, p.104.
  14. Ch'en Yün, "Some Immediate Problems Concerning Capital Construction Operations", from Hung-ch'i, No.5, March 17th 1959, translated in JPRS, 708-D/CSD; 2794-D, p.4.

One notes with considerable interest that Vice-Premier Yu Chiu-li's recent comments at the National Conference on Learning from Taching in Industry, seems to have taken the experience of the Great Leap, as well as Ch'en Yun's criticisms, into consideration. Yu stressed that it is necessary first to build a nationwide, independent and relatively comprehensive industrial and economic system, and only then turn to the building of six economic systems, which, he points out, were to "function self-reliantly", but were also to "work in close co-ordination".<sup>15</sup>

In the wake of the "partial" failure of the Great Leap, the theme, "the whole country as a single chessboard" received great publicity. There was, as has been indicated, a greater emphasis on over-all arrangements and the establishing of priorities, but the concept of a division of labour was reasserted in the context of this emphasis. The Jen-min jih-pao, for example, called for "the combination of a high degree of democracy with a high degree of centralism, and the practice of exercising centralized control on the one hand and transferring authority to lower levels on the other".<sup>16</sup> K'o Ch'ing-shih similarly reaffirmed "centralized leadership and management by different levels" in the context of his discussion of taking "the whole country as a single chessboard".<sup>17</sup> There was also greater emphasis on "unified Party leadership", and in the context of the assertion of the Party's line of taking

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15. In his speech Yu noted six major regions, namely, the northeast, north, east, northwest, southwest and central-south, Hence South China has once again been related to Central China. See Yu Chiu-li, "Mobilize the Whole Party and the Nation's Working Class and Strive to Build Taching-Type Enterprises Throughout the Country" May 4th 1977, Peking Review, Vol.20, No.22, May 27th 1977, p.17.
  16. "Take the Whole Country as a Coordinated Chess Game", JMJP, February 24th 1954, translated in SCMP, No.1970, March 11th 1959, p.3.
  17. K'o Ch'ing-shih "Lun 'chuan-kuo i-pan ch'i", (On "the whole country is like a single chessboard"), Hung-ch'i, Vol.IV, 1959, p.9.

"agriculture as the foundation and industry as the leading factor" the six regional Party bureaux, which had been abolished subsequent to the 1954 administrative reorganization were reinstated in order to facilitate the CCPCC's leadership over the provincial Party committees.<sup>18</sup>

With the Great Leap Forward behind him, Mao returned to the lessons of the 1940's and crystallized his thinking on problems of organization. Just as yin is explicit in yang, so decentralization is explicit in Mao's concept of centralization. The "centralization of correct ideas" was, of course, crucial to "unified Party leadership", upon which depended the viability and integrity of the political system as a whole. But there is explicit in emphases on the division of labour and devolution of administrative responsibilities a clear recognition of the significance of the democratic aspect of democratic centralism. Mao summarized all past experience on this point, when he observed in January 30th 1962:

"Without democracy, you have no understanding of what is happening down below; the situation will be unclear--you will be unable to collect sufficient opinions from all sides; there can be no communication between top and bottom; top-level organs of leadership will depend on one-sided and incorrect material to decide issues, thus you will find it difficult to avoid being subjectivist; it will be impossible to achieve unity of understanding and unity of action, and impossible to achieve true centralism. ....If we fail to promote democracy in full measure, then will this centralism and this unification be true or false?"<sup>19</sup>

It is not surprising that decentralization is viewed as necessary to centralization, as this inter-relation was characteristic of the pattern of political integration established in the 1940's.

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18. See Ahn Byung-joon, "Adjustments in the Great Leap Forward and Their Legacy: Divergence of Ideology and Practice...", Conference on Ideology and Politics in Contemporary China, Santa Fe, New Mexico, 1971, p.10.
  19. See Mao Tse-tung, "Talk at an Enlarged Central Work Conference", January 30th 1962, in Stuart Schram, etc., Mao Tse-tung Unrehearsed p.164 and refer to Professor Schram's comments on p.12.

The pattern was determined in a period of extreme political disintegration and was later applied on the plane of national political development in the 1950's. Indeed, this relation of decentralization to centralization is the key to our understanding of the role played by the Greater Administrative Regions in the processes of national political integration.

APPENDIX ILIST OF NORTHEAST PERSONNEL KNOWN TO HAVE TRANSFERRED  
TO IMPORTANT POSTS IN NATIONAL STATE ADMINISTRATION

NAME OF MEMBER OF NEPG/AC	POSITION	DATE OF TRANSFER
Wang Kuang-wei	Assistant Secretary, State Planning Council	October 1953
Chu Li-chih	Director of Supplies Distribution Bureau, GAC Economic and Finance Committee	August 1952
Tung Ch'un-ts'ai	Deputy Minister, Ministry of Education	June 1953
Wang I-fu	Deputy Minister, Ministry of Internal Affairs	November 1952
Wang Chih-hsiang	Deputy Minister, Ministry of Public Security	October 1954
Ku Chuo-hsin	Vice-Chairman, State Planning Council	November 1954
Ni Wei	Member, State Planning Council	November 1954
Wang Hsueh-ming	Deputy Minister, Ministry of Finance	November 1954
Wang Hsing-jiang	Deputy Minister, Ministry of Trade	August 1952
Chang Hua-tung	Director, Bureau of Imports, Ministry of Foreign Trade	1953
Wang Hao-shou	Minister, Ministry of Heavy Industry	August 1952
Li Tung	Deputy Minister, Ministry of Heavy Industry	August 1952
An Chih-wen	Vice-Chairman, Committee of Capital Construction	November 1954
Wei Chen-wu	Director of CPG Bureau of Northeast State Farms	October 1954

NAME OF MEMBER OF NEPG/AC	POSITION	DATE OF TRANSFER
Pai Hsi-ch'ing	Deputy Director of CPG Academy of Health Research	November 1955
Li Fu-ch'un	Minister, Ministry of Heavy Industry; Member State Planning Council; Vice-Premier of State Council; Chairman of State Planning Council	October 1949 September 1953 September 1954
Lin Feng	Director of 2nd General Office of the State Council	November 1954
Liu Chih-ming	Deputy Minister, Ministry of Culture	September 1953
Chu Ch'i-wan	Vice-Chairman of GAC Committee of Political and Legal Affairs; Deputy Director, 1st General Office, State Council	1953 November 1954
Liu Ya-hsiung	Deputy Minister, Ministry of Labour	1952
Yu Kuang-sheng	Special Commissioner of Ministry of Railways, resident in the Northeast; Deputy Minister, Ministry of Railways	March 1950 January 1955
Yen Ku-hsing	Vice-Chairman, All-China Sales and Supply Co- operatives	July 1954
Liu Ming-fu	Member, State Planning Council	November 1954
Ying Wen-t'ao	Deputy Minister, Ministry of Forestry	September 1953

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GLOSSARY OF SELECTED CHINESE TERMS RELATING  
TO ADMINISTRATION AND POLICY

chan-ch'ü, ( 戰區 ), war zone

chan-lüeh ti chi-chung chih-hui ho chan-i chan-cheng ti fen-san chih-hui ( 戰略的集中指揮和戰役戰爭的分散指揮 ), centralized strategic command and the decentralized command in campaigns and battles.

ch'ang-chang fu-tse chih ( 廠長負責制 ), factory manager responsibility system.

ch'eng-hsiang lien-lo wei-yüan hui ( 城鄉聯絡委員會 ), City-Country Liaison Committee.

ch'eng-pen ho-suan ( 成本核算 ), cost accounting.

cheng-t'i ( 政體 ), form of government, as distinguished from kuo-t'i ( 國體 ), form of state.

cheng-ts'e shui-p'ing ( 政策水平 ), policy-level.

cheng-ts'e ssu-hsiang ( 政策思想 ), policy thought.

cheng-wu yüan ( 政務院 ), Government Administration Council.

chi-chung ling-tao fen-pieh ching-ying ( 集中領導分別經營 ), centralized leadership and separate management.

chia-sheng fan ( 夾生飯 ), half-cooked rice.

chi-lu chien-ch'a wei-yüan hui ( 紀律監察委員會 ), discipline inspection committee.

chi-t'i ling-tao ( 集體領導 ), collective leadership.

chieh-fang ch'ü ( 解放區 ), liberated region

chien-ch'a ( 監察 ), control, after-the-fact investigation.

chien-ch'a wei yüan hui ( 監察委員會 ), control committee.

chien-she ts'ai-cheng ( 建設財政 ), construction finance.

chien-tan ti sheng-chan kuan-tien (單純的生產觀點),  
pure production viewpoint.

chien-tu (監督), supervise, before-the-fact control.

chih-shu chi (技術計), technical plan.

ching-chi ho-suan chih (經濟核實制),  
economic accounting.

ching-pei ch'ü (警備區), defence area.

ching-ping chien-cheng (精兵簡政),  
crack troops and simple administration.

ch'u chih yü-min, yung chih yü-min (取之於民、用  
之於民), That which is taken from the people is to be used  
for the people. Distinguish from ch'u-chih yu-yung-chih yü-chi  
(取之於民、用之於己)  
That which is taken from the people use for yourself.

ch'u-pu she-chi (初步設計), preliminary design.

ch'üan-kuo i-pan chi' (全國一盤棋),  
the whole country is a single chessboard.

chün-fa chu-i (軍閥主義), warlordism.

chün-shih kuan-li wei-yüan hui (軍事管理委員會),  
Military Control Commission

chung-chih ti yeh-wu hsi-t'ung ling-tao (垂直的業務系統  
領導), direct leadership by specialized systems.

chung-hsin kung-tso (中心工作), centre of work.

Chung-nan chü (中南局), Central-South Bureau.

Chung-nan chün-cheng wei-yüan hui (中南軍政委員會),  
Central-South Military and Administrative Committee.

chung-nan hsing-cheng wei-yüan hui (中南行政委員會),  
Central-South Administrative Committee

chung-yang jen-min cheng-fu wei-yüan hui (中央人民政  
府委員會), Central People's Government Council.

chung-yang, ching-t'u (重洋輕土), over-emphasizing  
foreign and paying little attention to native.

chung-yang chü; chung-yang fen-chü (中央局 ; 中央分局),  
CCPCC Bureau; CCPCC Sub-Bureau.

fang-shou fa-tung ch'ün-chung (放手發動羣衆),  
taking a free hand to mobilize the masses.

fen-ch'ü kuan-li ( 分區管理 ), sub-region management.

fen erh chih-chih ( 分而治之 ), divide and rule.

fen-kung chuan-tse chih-tu ( 分工專責制度 ), division of specialized responsibilities system.

fen-san chu-i ( 分散主義 ), dispersionism.

hao, k'uai, sheng ( 好, 快, 省 ), better, faster and more economical.

ho-p'ing t'u-kai ( 和平土改 ), peaceful land reform.

hsi-nan chü ( 西南局 ), Southwest Bureau.

hsi-nan chün-cheng wei-yüan hui ( 西南軍政委員會 ), Southwest Military and Administrative Committee

hsi-nan hsing-cheng wei-yüan hui ( 西南行政委員會 ), Southwest Administrative Committee.

hsi-pei chü ( 西北局 ), Northwest Bureau.

hsi-pei chün-cheng wei-yüan hui ( 西北軍政委員會 ), Northwest Military and Administrative Committee.

hsi-pei hsing-cheng wei-yüan hui ( 西北行政委員會 ), Northwest Administrative Committee.

hsi-t'ung ( 系統 ), system.

hsing-cheng ch'ü ( 行政區 ), administrative district.

hsing-cheng lien-ho pan-shih ch'ü ( 行政聯合辦事處 ), Joint Office of Administrative Affairs.

hsing-cheng tu-ch'a ch'ü ( 行政督察區 ), administrative inspectorate under the KMT. The same as the CCP's chuan-yüan ch'ü ( 專員區 ), special district, or fen-ch'ü ( 分區 ), sub-region, which was inclusive of several hsien.

hsing-shih chu-i ( 形式主義 ), formalism.

hua-nan fen-chü ( 華南分局 ), South China Sub-Bureau.

hua-tung chü ( 華東局 ), East China Bureau.

hua-tung ch'ü ch'eng-hsiang wu-tzu chiao-liu ta-hui ( 華東  
區域鄉鎮資交流大會 ), East China Conference  
of Urban-Rural Trade interflow.

hua-tung chün-cheng wei-yüan hui ( 華東軍政委員會 ),  
East China Military and Administrative Committee.

hua-tung hsing-cheng wei-yüan hui ( 華東行政委員會 ),  
East China Administrative Committee.

i-fen ch'ien i-chih ch'iang tou chi-chung le ( 一分錢  
一粒穀都集中了 ), centralize every last penny and gun.

i-k'ao ku-p'in, t'uan-chien chung-nung, chung-li fu-nung hsiao-mien  
ti-chü ( 依靠雇貧, 團結中農, 中立富農,  
消滅地主 ), depend on the poor peasants and hired labourers,  
ally with middle peasants, counter-balance rich peasants and  
eliminate the landlords.

i ko-chung pu-t'ung ti-ch'ü erh ts'ai-ch'u pu-t'ung fang-fa  
( 依各重不同地區而採取不同方法 ),  
adopt different methods according to different regions.

jen-cheng ( 仁政 ), benevolent government.

jen-min fa-t'ing, jen-min fa-yüan ( 人民法庭, 人民法院 ),  
people's tribunals, people's courts.

kao chia ssu-hsiang ( 高價思想 ), high-price thought.

kao-i-chi ti ti-fang cheng-ch'üan chi-kuan ( 高一級的  
地方政權機關 ). In 1949-52, Great Administrative  
Region government was described as the "highest level of local  
state power".

ko tzu-wei cheng ( 各自為政 ), semi-autonomous  
administration by various levels.

kuan-kuan hu-hsiang ( 官官相護 ), officials protecting  
officials.

kung-ch'en chu-i ( 功臣主義 ), meritism.

kung-kei ssu-hsiang ( 供給思想 ), supply thought.

kuo-chia li-fa ch'üan ( 國家立法權 ), state  
legislative power.

la-kuo ch'ü; p'ai-ch'u lai ( 拉過去, 派進來 ), pull in:  
sending in.

ling-tao; chih-tao ( 領導, 指導 ), leadership;  
guidance.

nei-ti mao-i tsu-yu cheng-ts'e (內地貿易自由政策),  
freedom for domestic trade.

nung-min chuan-cheng (農民專政), peasant  
dictatorship.

pai-fa chü-hsing (百廢俱興) prosperity on  
all fronts.

p'ai-chü chi-kuan (派出機關), an agency  
which acts only as an extension of central organization in the  
context of "vertical rule".

pao-pan ta-t'i ti tso-feng (包辦代替的作風),  
a work style characterized by a tendency to usurp the role of  
the masses.

pen-wei chu-i (本位主義), departmentalism.

pien-ch'ü (邊區), border region.

pu; chü; t'ing (部, 局, 廳), CPG ministry,  
or GAR department; GAR bureau; provincial office.

san-ko jen ti fan yü wu-ko jen ch'ih (三個人的飯  
與五個人吃), three people's rice to feed five people.

shih-wu chu-i (事務主義), routinism.

shuang-chung ling-tao (雙重領導) dual leadership.

ssu-mien pa-fang chan-sheng (四面八方產生),  
production on all fronts, inclusive of four policies:  
kung-tzu chien-ku; lao-tzu liang-li; ch'eng-hsiang hu-chu;  
nei-wai chiao-liu (公私兼顧, 勞資兩利,  
城鄉互助, 兩外交流), consider both public and private;  
mutually benefit capital and labour; mutual assistance between  
countryside and city; foreign and domestic trade interflow.

sui-ching kung-shu (綏靖公署), Office of  
Pacification.

ta ching-chi hsien-tso ch'ü (大經濟協作區),  
co-ordinated economic region.

ta hsing-cheng ch'ü (大行政區), Greater  
Administrative Region.

ta-kuei-mo ti chien-she (大規模的建設), large-  
scale capital construction.

tai; t'ui; t'iao (帶; 推; 跳),  
leading; pushing; leaping.

tan-ch'un hui-lung ssu-hsiang ( 單純回憶思想 ),  
simple currency recall thought.

tang ti ling-tao ti i-yüan-hua ( 黨的領導一元化 ),  
unification of Party leadership.

tang ti t'ung-i ling-tao ( 黨的統一領導 ),  
centralized leadership of the Party.

ti-fang hua ( 地方化 ), localization.

ti-fang hua ti ko tu-li shih ( 地方化的各獨立師 ),  
localization of independent divisions.

ti-fang tang ti i-yüan hua ti ling-tao ( 地方黨的  
一元化的領導 ), unified leadership of the local  
Party committee.

ti-pen chu-i ( 他本主義 ), departmentalism.

to chi-tung ( 多機動 ), more flexibility.

to pan-shih ( 多辦事 ), more to administer.

tsung ching-chi tao ts'ai-cheng ( 從經濟到財政 ),  
from economics to finance.

t'u-ch'an chan-lan chiao-liu ta-hui ( 土產展覽  
交流大會 ), native product exhibition and interflow  
meeting.

t'u-ch'an hui-i ( 土產會議 ), native products  
conference.

t'ui-hsiao t'u-ch'an ti-chih wai-huo ( 推銷  
土產抵制外貨 ), sell native produce and boycott  
foreign goods.

t'ung-chih ssu-hsiang ( 統制思想 ), control  
thought.

t'ung-i kuan-li, ho t'ung-i ling-tao ( 統一管理  
統一領導 ), centralized control and centralized leadership.

t'ung-i ling-tao, fen-chi fu-tse ( 統一領導  
分級負責 ), centralized leadership and divided responsibilities.

t'ung-i ling-tao, fen-chi kuan-li, yin-ti chih-i, yin-shih chih-i ( 統一領導, 分級管理, 因地制宜, 因事制宜 ), centralized leadership and administration by the various levels in accordance with local expediency and the nature of work.

t'ung-i ling-tao, fen-san ching-ying ( 統一領導, 分散經營 ), centralized leadership and decentralized management.

tung-pei chü ( 東北局 ), Northeast Bureau.

tung-pei hsing-cheng wei-yüan hui ( 東北行政委員會 ), Northeast Administrative Committee.

tung-pei jen-min cheng-fu ( 東北人民政府 ), Northeast People's Government.

tzu-li keng-sheng ( 自力更生 ), self-reliance.

yü-tien tao-mien, tien-mien chih-ho ( 由點到面, 點面結合 ) from points to surface, linking up points with surface.

yung ho-fa tou-cheng ( 用合法鬥爭 ), legal struggle.